



HSBC Quality of Life Report 2023



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Welcome

How should we measure wealth? Is wealth best expressed as a number or by the meaningfulness of our lived experiences? What does a good balance between financial security and high Quality of Life look like?

Welcome to the inaugural HSBC Quality of Life Report – a close-up look at the evolving relationship between wealth and Quality of Life as a measurable concept. In the following pages, we explore themes around wealth that are important to most of us today: retirement, holistic wellness, our legacy, and investing for our life goals.

This report is based on a survey of 2,250 people across nine markets globally, but the insights we share tell a story that goes beyond the data. It's a story of how we as interconnected individuals and societies are rethinking our priorities and redefining what good Quality of Life means.

I hope this report offers some food for thought and would be delighted to hear your views.

Lavanya Chari,
Global Head of Investments and Wealth Solutions,
Global Private Banking and Wealth, HSBC



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Introduction and methodology

The last few years brought about big changes that significantly impacted people's lives. The rise of remote and hybrid work, travel and social limitations, and an increased focus on health and awareness of personal mortality, have transformed consumers' attitudes and life priorities.

In the inaugural edition of the Quality of Life report, HSBC in partnership with Bloomberg Media Group explored the concept of a good Quality of Life across different generations of affluent individuals in nine markets. This comprehensive analysis delves into the intricate relationship between physical and mental wellness, and financial fitness, shedding light on life objectives, the role of financial planning and preparedness, and the evolving nature of retirement.

Total sample size

n=2,250, n=250 per market

Fieldwork: 30 March - 9 April 2023

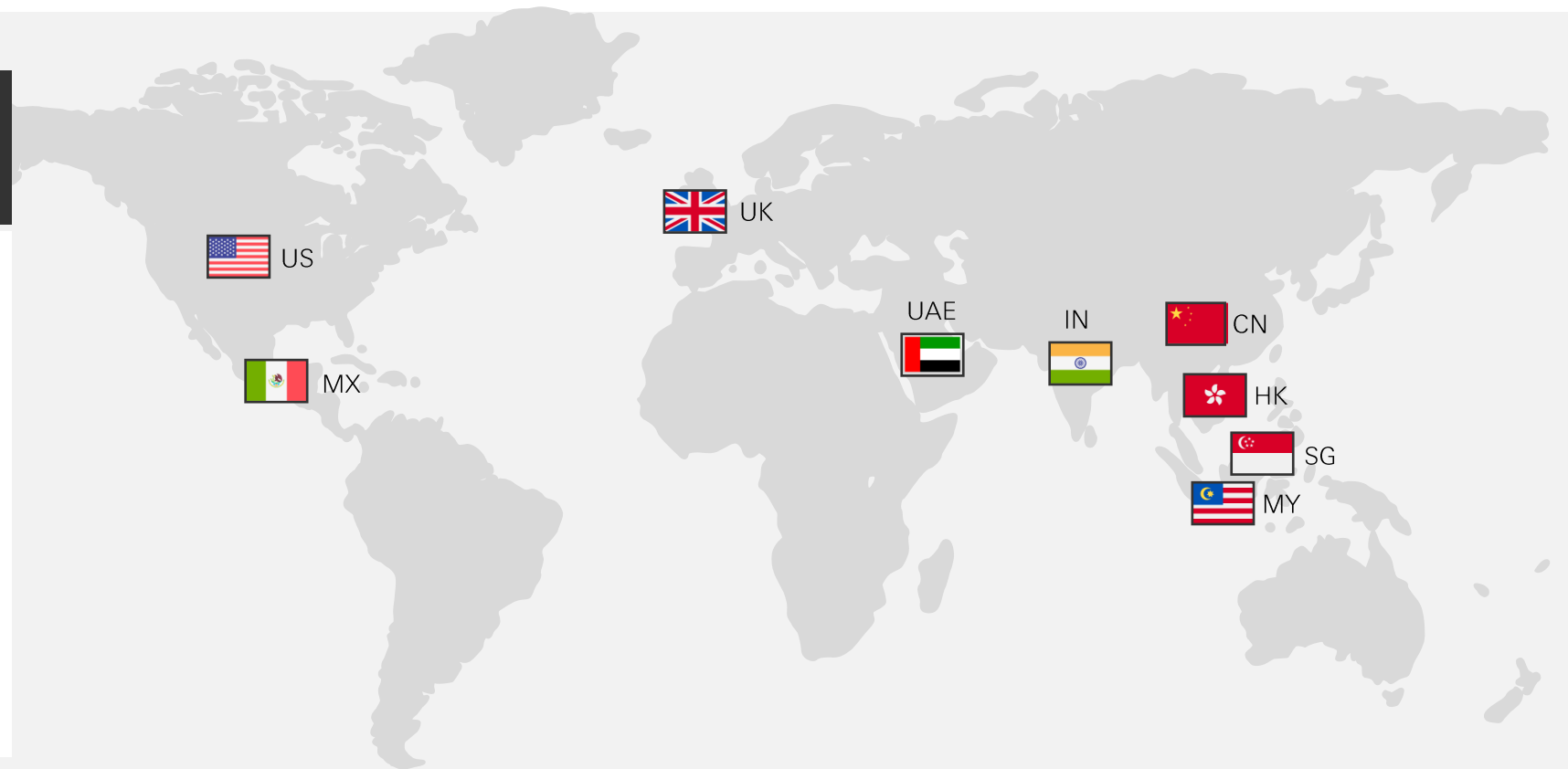
Respondent Criteria:

- ◆ Aged 25-69
- ◆ Financial decision makers for themselves
- ◆ Have invested in financial products
- ◆ The breakdown of the total sample of 2,250 in terms of investable assets was as below :
 - HNW+ : USD2M+ (1%)
 - Mass Affluent: USD100K-USD2M (79%)
 - Emerging Affluent: USD25K-USD100 (20%)

Most findings in this report focus on the Mass Affluent respondents

Methodology:

Online access panels



Executive summary



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Key findings - What is good Quality of Life? (1/2)



What is good Quality of Life?

- ◆ Some of the common priorities across markets are physical health, income stability, spending time with friends & family and mental health.
- ◆ People on average allocate 64 points out of 100 to physical and mental wellness, and financial fitness in terms of contribution to a good Quality of Life.



Inter-relationship of wealth and health & the Quality of Life Index

- ◆ The average score across respondents on the Quality of Life Index is 75 out of a possible maximum of 100, indicating room for improvement.
- ◆ There is a strong link between physical and mental wellness, and between financial fitness and mental wellness.
 - Those scoring high on physical wellness are 9.3x as likely to score above average on mental wellness too.
 - The financially fit are 4.3x as likely to score above average on mental wellness.



Retirement perspective

- ◆ Over half of people in emerging markets feel prepared for retirement, while just over one-third in developed markets feel the same.
- ◆ Inflation is a major concern for developed markets like the USA, Singapore, and Hong Kong.
- ◆ Retirement related products and services are in high demand across all markets, but there is greater interest for them in developed markets.



Protection against adversities

- ◆ Physical health issues and high health care costs are some of the main concerns in achieving key life goals.
- ◆ Hong Kong and Singapore respondents are less likely to have adequate protection for healthcare.

Key findings - What is good Quality of Life? (2/2)



Longevity planning

- ◆ 51% of respondents intend to work post retirement.
- ◆ 7 in 10 are driven by wanting to stay engaged and active, especially Gen X. Boomers are more driven by financial reasons.



Financial planning & management

- ◆ Many people consider generating passive income as a top financial goal for a good Quality of Life, especially in Hong Kong and Singapore.
- ◆ However, the rising cost of living and the challenge of saving enough for retirement can make it difficult to achieve this goal.



Intergenerational planning

- ◆ Millennial respondents are more likely to view legacy planning from a holistic perspective and more of them have started planning earlier (compared to other cohorts).
- ◆ Less than half the respondents have written a will. This is often because they procrastinate or think it's too early to plan.
- ◆ Some don't know where to begin.



Relocation sentiment

- ◆ 27% of respondents plan to relocate at some point for a better Quality of Life, while another quarter are contemplating it.
- ◆ Millennials and those from Emerging markets are most likely to want to relocate.
- ◆ Those who intend to relocate overseas are looking for day-to-day requirements - opening an account, 24/7 banking support & money transfers.

01

What is Quality of Life?

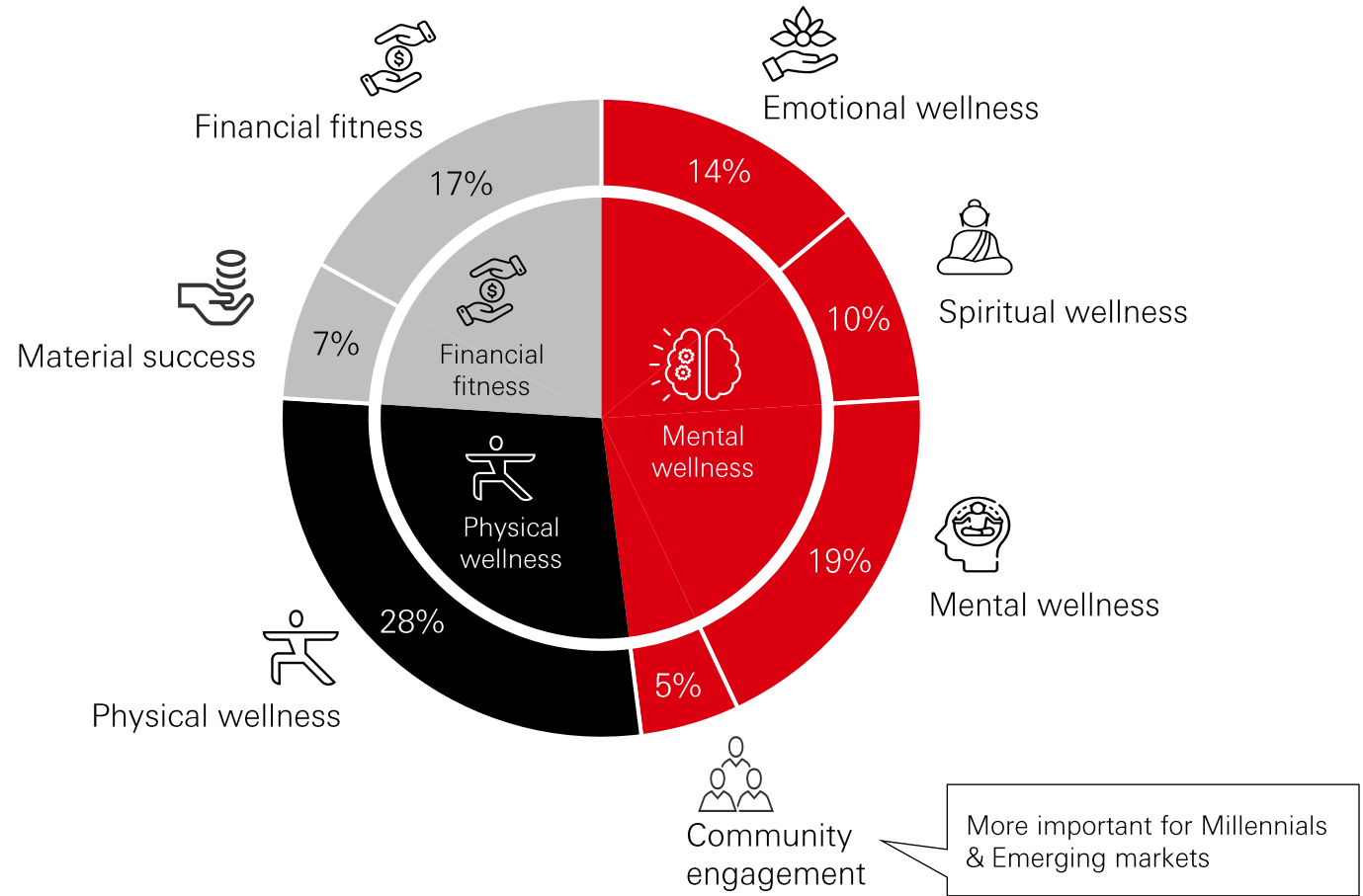


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Physical wellness is rated the top factor in achieving a good Quality of Life, followed by mental wellness and financial fitness.

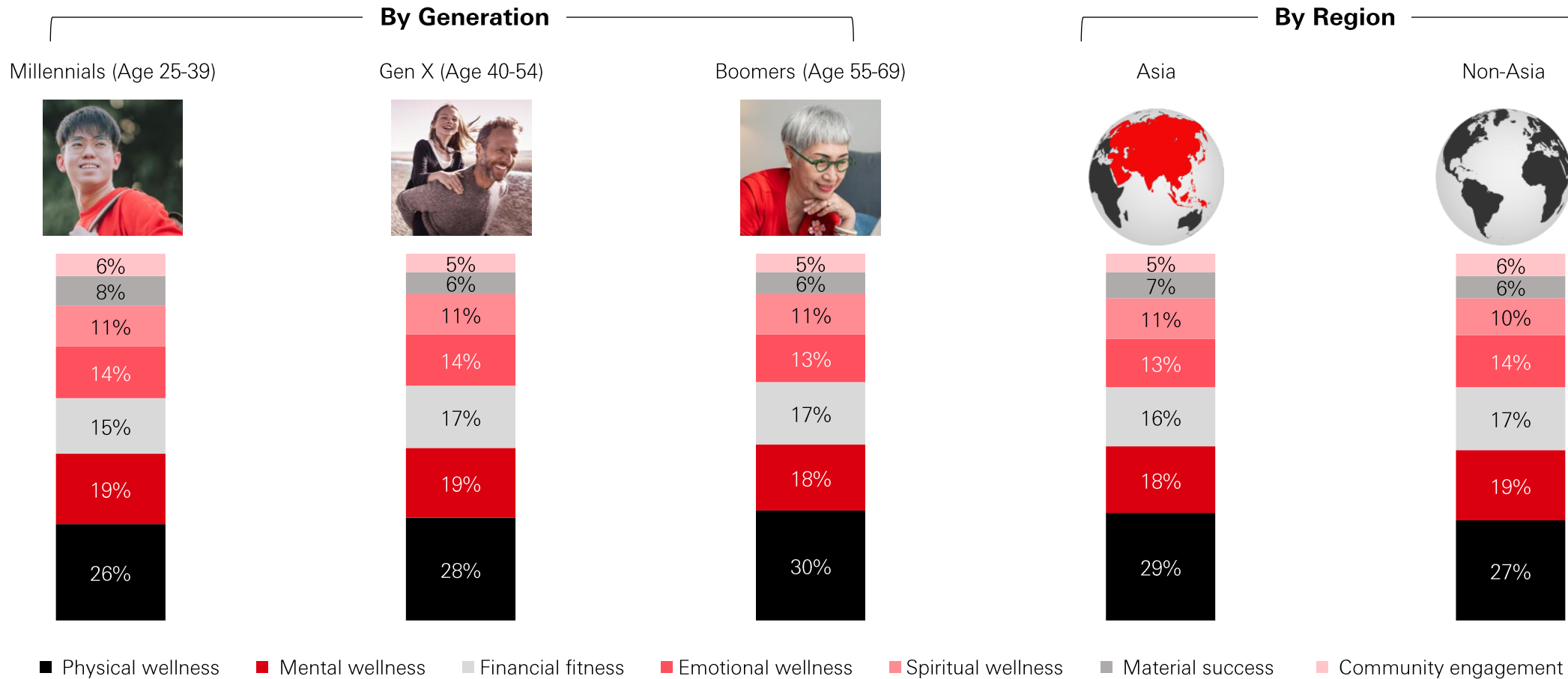
Quality of Life factors (among Mass Affluent)



B3. How important are the following aspects for you to sustain a good Quality of Life? Please indicate this by distributing a total of 100 points across these aspects in such a way that more points are allocated to the aspect that you consider most important and fewer points are allocated to the aspects that are not important to you. You may allocate '0 points', '100 points' or anything in between to any of the aspects, as you see fit.
 Base: Mass Affluent n=1,779

Physical and mental wellness, and financial fitness are the top three factors across life stages and regions.

Quality of Life factors (Allocation of importance out of 100 points) - By generation & region (among Mass Affluent)



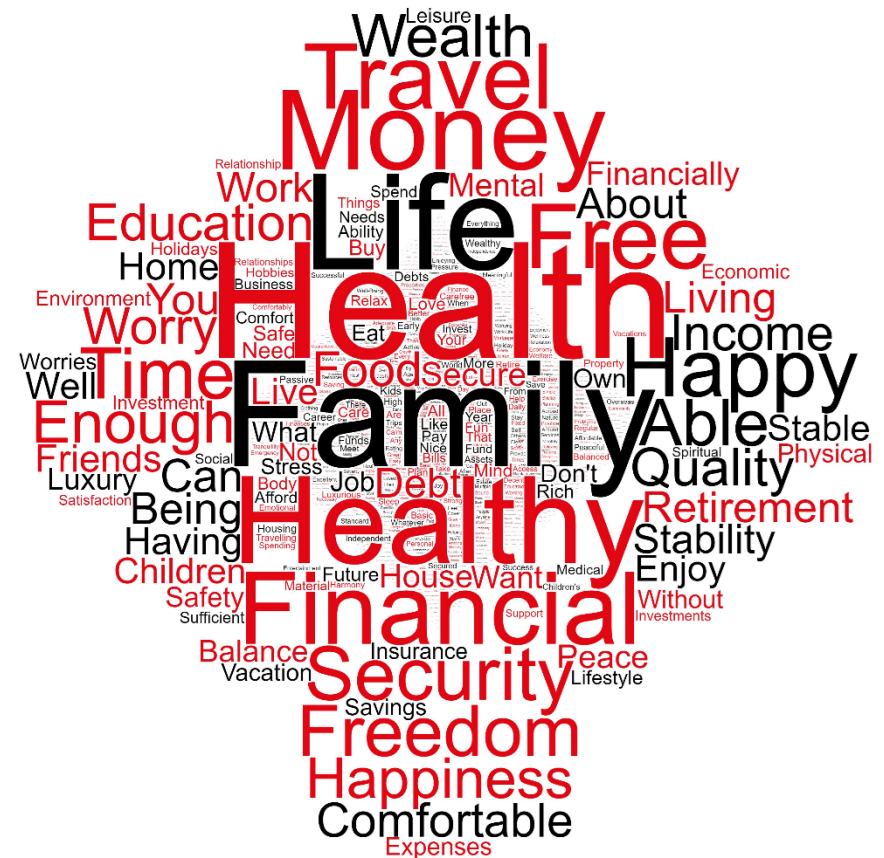
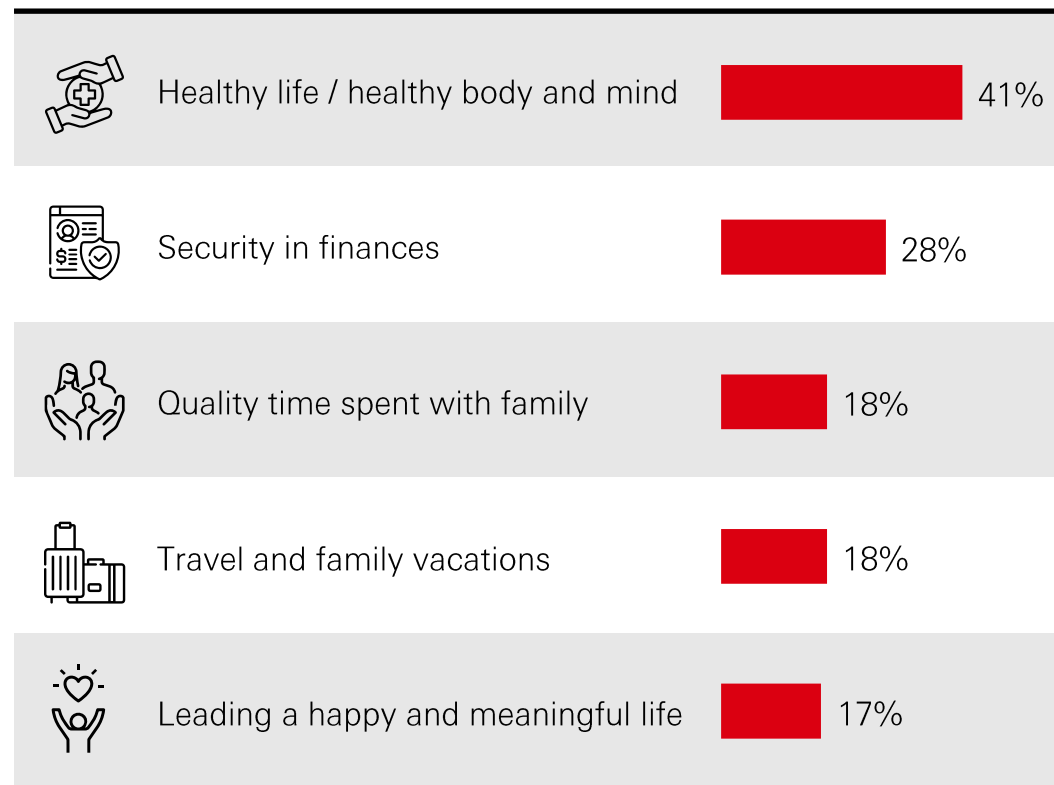
B3. How important are the following aspects for you to sustain a good Quality of Life? Please indicate this by distributing a total of 100 points across these aspects in such a way that more points are allocated to the aspect that you consider most important and fewer points are allocated to the aspects that are not important to you. You may allocate '0 points', '100 points' or anything in between to any of the aspects, as you see fit.

Base: Mass Affluent n=1,779 . Millennials n=535, Gen X n=605, Boomers n=639, Asia (HK/SG/CN/IN/MY) n=1179, Non-Asia (UK/US/MX/UAE) n=600

The sentiment is further supported by the spontaneous responses, validating that good Quality of Life is driven by physical and mental wellness, and financial fitness.

Meaning of good Quality of Life (Spontaneous)

Top 5 spontaneous answers



B0. What does good Quality of Life mean to you?
Base: All respondents n=2,250

Beyond the major common themes, Millennials value freedom, work-life balance and education, and Gen X value travel and are starting to contemplate retirement. Health is a bigger focus for Boomers.

What is a good Quality of Life? (Spontaneous)

Millennials (Age 25-39)



Gen X (Age 40-54)



Boomers (Age 55-69)

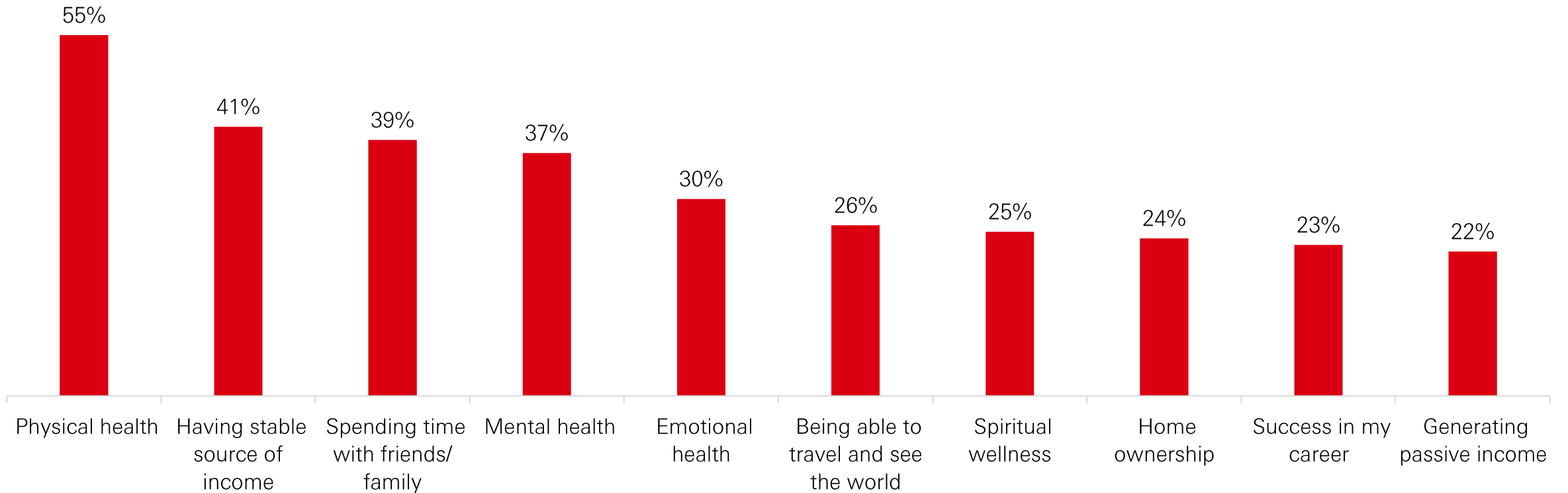


B0. What does good Quality of Life mean to you?
 Base: All respondents n=2,250. Millennials n=750, Gen X n=755, Boomers n=745

Similar priorities emerge when respondents are asked to choose key elements of a good Quality of Life.

What makes a good Quality of Life?

Top 10 (among Mass Affluent)



Quality time with family and friends is a universal life goal, as is travel. While Boomers aim to maintain their pre-retirement lifestyle (wealth protection), younger generations look to generate passive incomes (wealth generation).

Top life goals by life stage (among Mass Affluent)

Millennials (Age 25-39)



2 in 5 want to learn new skills

Gen X (Age 40-54)



1 in 2 aim to create passive income streams

Boomers (Age 55-69)



2 in 5 aim to fight against inflation

| Millennials (Age 25-39) | | Gen X (Age 40-54) | | Boomers (Age 55-69) | |
|--------------------------------------|--|--|--|--|--|
| Current life goals | Goals in next 5-10 years | Current life goals | Goals in next 5-10 years | Current life goals | Goals in next 5-10 years |
| Spend time with family and friends | Spend time with family and friends | Spend time with family and friends | Spend time with family and friends | Spend time with family and friends | Spend time with family and friends |
| Traveling and seeing the world | Traveling and seeing the world | Generating passive income | Traveling and seeing the world | Traveling and seeing the world | Traveling and seeing the world |
| Advancing in my career | Generating passive income | Ensure enough protection against any adversities | Ensure enough protection against any adversities | Maintaining pre-retirement living standards | Maintaining pre-retirement living standards |
| Generating passive income | Ensure enough protection against any adversities | Traveling and seeing the world | Maintaining pre-retirement living standards | Ensure enough protection against any adversities | Ensure enough protection against any adversities |
| Planning for my children's education | Planning for my children's education | Maintaining pre-retirement living standards | Generating passive income | Generating passive income | Generating passive income |

Answers based on Rank 1-5
 C2a. Given your current life stage, which of the following aspects are important to you?
 C2b. In the next 5-10 years, which of these aspects will be important to you? Base: - Millennials n=535, Gen X n=605, Boomers n=639. Mass Affluent n=1,779

Developed markets want to generate other sources of income as they currently rely more on their salaries, compared to Emerging markets who have more diversified income streams.

Top life goals among Developed vs. Emerging markets (among Mass Affluent)

Developed markets

49% of developed markets rely on salaries; 18% rental income; 16% personal business income



Current life goals

Spend time with family and friends

Traveling and seeing the world

Generating passive income

Maintaining pre-retirement living standards

Ensure enough protection against any adversities

Goals in next 5-10 years

Spend time with family and friends

Traveling and seeing the world

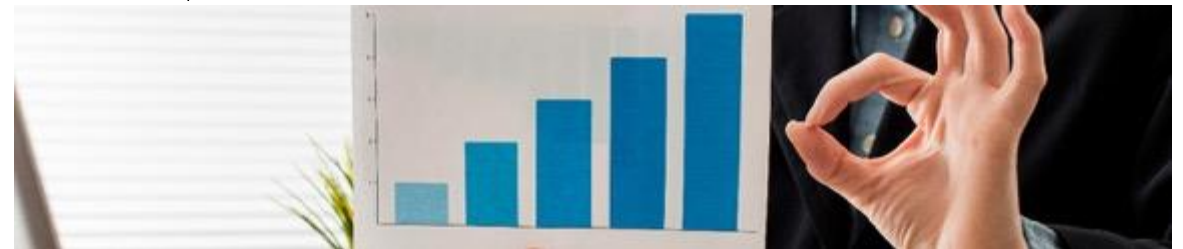
Maintaining pre-retirement living standards

Generating passive income

Ensure enough protection against any adversities

Emerging markets

More diversified income stream: 29% of emerging markets rely on salaries; 28% rental income; 27% personal business income



Current life goals

Spend time with family and friends

Ensure enough protection against any adversities

Traveling and seeing the world

Generating passive income

Learning new skills or trying new things

Goals in next 5-10 years

Spend time with family and friends

Ensure enough protection against any adversities

Traveling and seeing the world

Maintaining pre-retirement living standards

Generating passive income

Answers based on Rank 1-5

C2a. Given your current life stage, which of the following aspects are important to you?

C2b. In the next 5-10 years, which of these aspects will be important to you?

Base: Developed markets (HK/SG/US/UK) n=794, Emerging markets (CN/IN/MY/UAE/MX) n=985 Mass Affluent n=1,779

02

Wealth & health



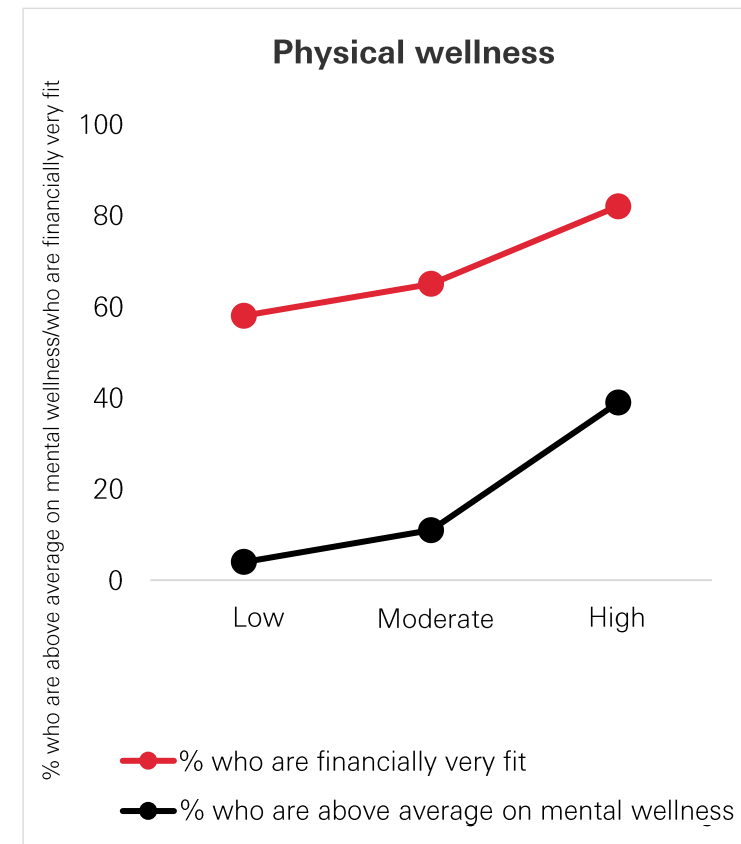
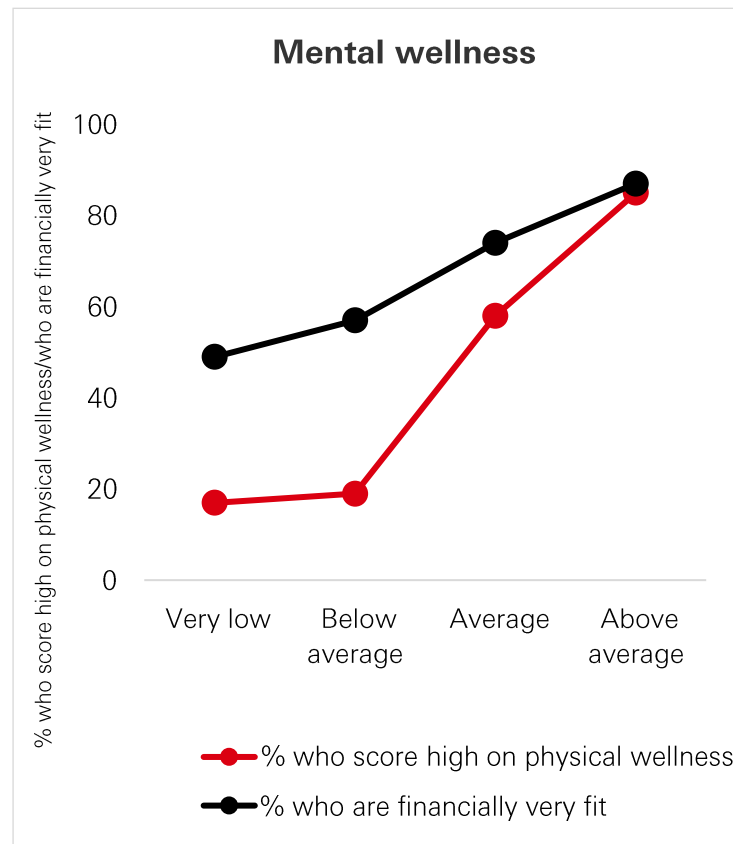
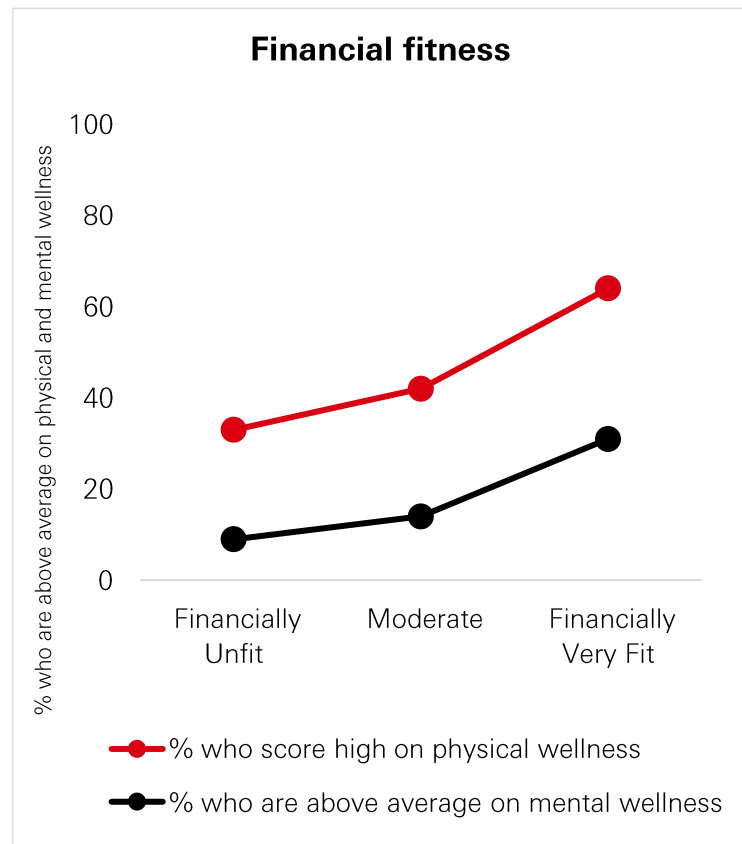
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Financial fitness contributes to peace of mind. The finding reinforces the results from HSBC Life's +Factor Study¹, validating that financial fitness, and physical and mental wellness have high correlation with one another.

Correlation of dimensions (among Mass Affluent)



B4. How physically fit do you consider yourself to be right now? B5. Below are some statements about feelings and thoughts. Please select the occurrence that best describes your experience of each over the last 2 weeks. 4 questions on Financial fitness: A3. The following sentences describe different people's understanding of financial products and their habit of information search. Are they applicable to you? A4. The following sentences describe different people's habit of financial planning. Are they applicable to you? A6. The following sentences describe the financial situation and habit of different people. Are they applicable to you? A7. The following sentences describe different people's approaches and views on handling financial security. Are they applicable to you? Base: Mass Affluent n=1,779

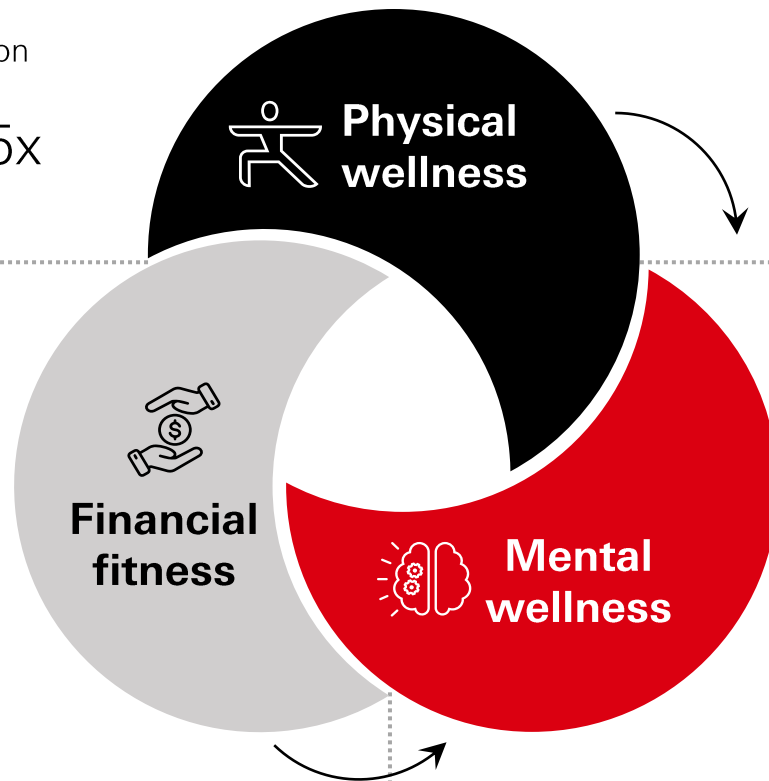
1 <https://www.life.hsbc.co.uk/customers/health-and-wellbeing-centre/health-and-wellbeing-study/>

The data further validates the strong link between physical and mental wellness, and between financial fitness and mental wellness.

Interaction of dimensions

The financially fit are **2.1x** as likely to score high on physical wellness too.

Those who score high on physical wellness are **1.5x** as likely to be financially fit.



Highest correlation

Those who score high on physical wellness are **9.3x** as likely to score above average on mental wellness too.

Those scoring above average on mental wellness are **5.7x** as likely to score high on physical wellness too.

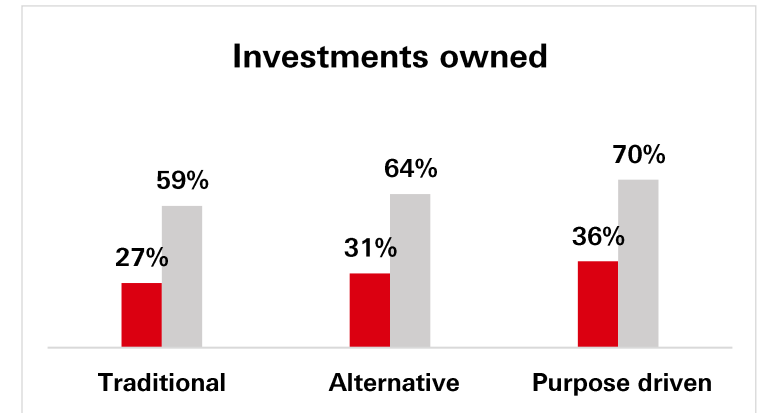
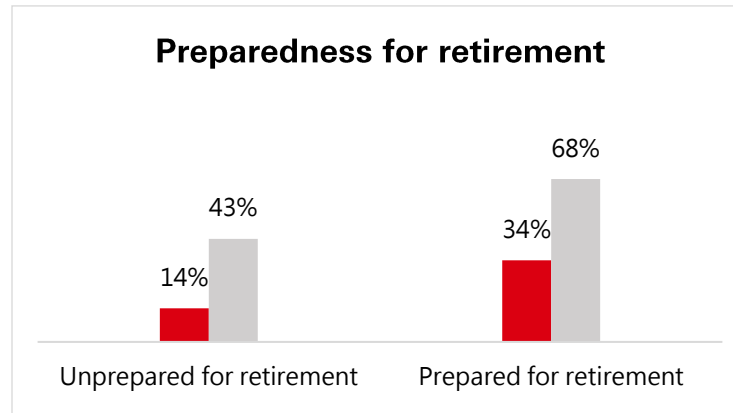
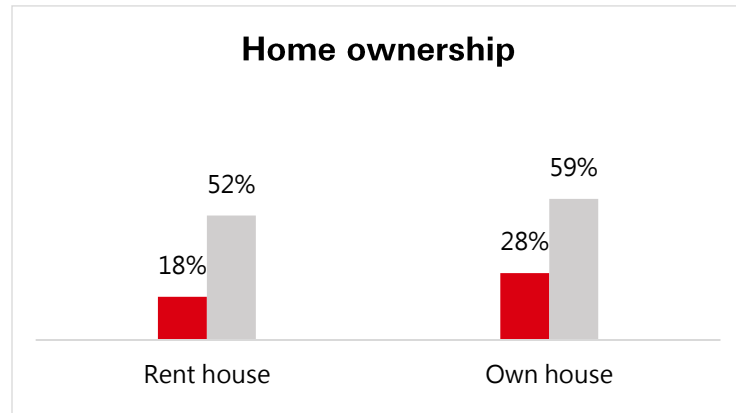
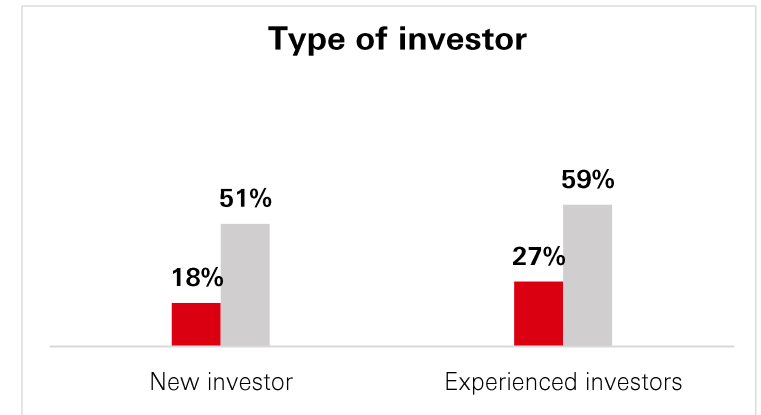
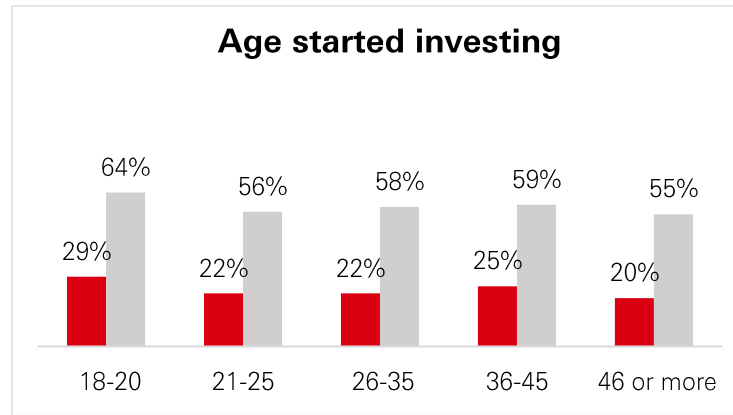
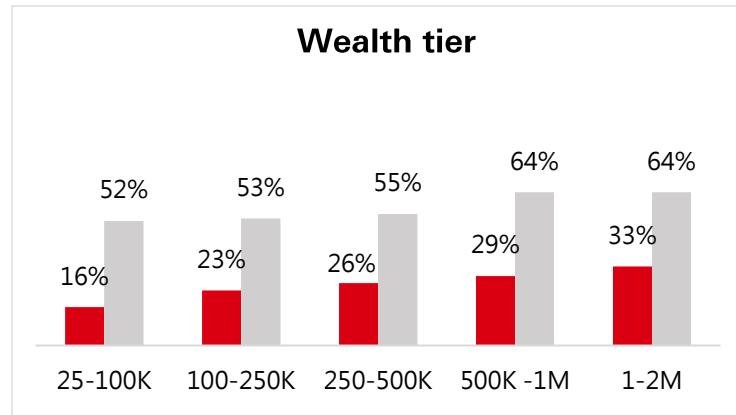
High correlation

The financially fit are **4.3x** as likely to score above average on mental wellness.

Those scoring above average on mental wellness are **1.9x** as likely to be financially fit than those who score low on mental wellness.

The results further show that mental wellness is correlated to wealth, starting investing earlier, among homeowners and those better prepared for retirement, all of which would contribute to peace of mind.

Correlation of wealth and financial fitness to mental & physical wellness (among Mass Affluent)



■ % Scored high on physical wellness ■ % Scored above average on mental wellness

The Quality of Life Index is composed of the three dimensions that consumers consider most important to having a good Quality of Life – physical and mental wellness, and financial fitness.

Quality of Life Index – Methodology and calculation (among Mass Affluent)

The Quality Of Life Index is the weighted average of the three dimensions & is measured as below.

(The minimum possible score is 0 and the maximum is 100)

Respondents' self-reported physical wellness



Uses multiple questions covering financial habits, knowledge, planning, and security to rate respondents

Uses responses to multiple statements to score respondents

Calculation and weighting

Step 1: The raw scores for the factors were re-scaled to 0 to 100 for each respondent.

Step 2: They were weighted by the relative importance each respondent gave to each of these factors.

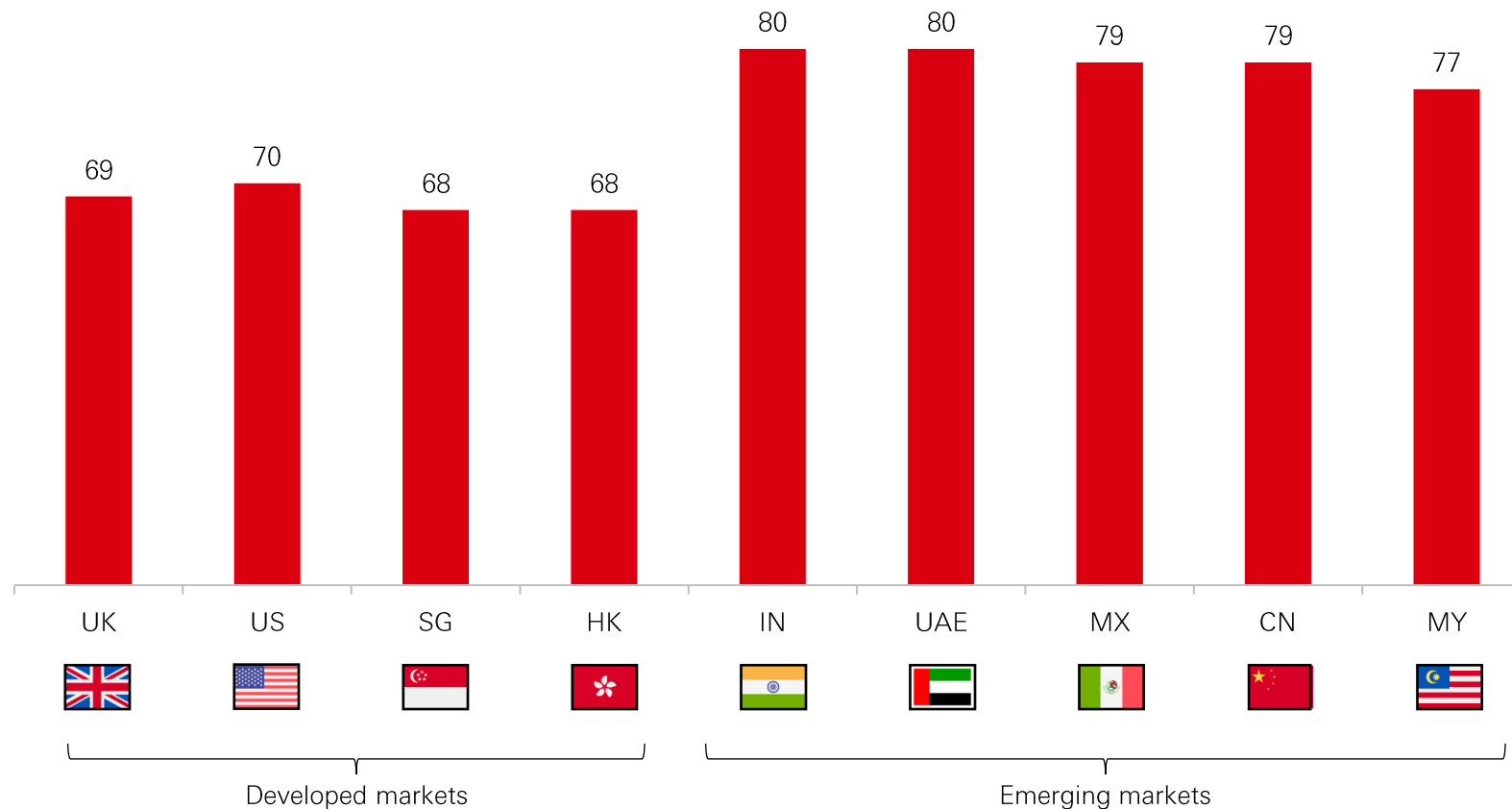
The overall Quality of Life Index stands at 75. Developed markets show a lower Quality of Life score.

Quality of Life Index (among Mass Affluent)



Emerging Affluent Scores:
Quality of Life Index -71
 | Physical - 71 | Mental - 66 | FinFit - 78

Quality of Life Index



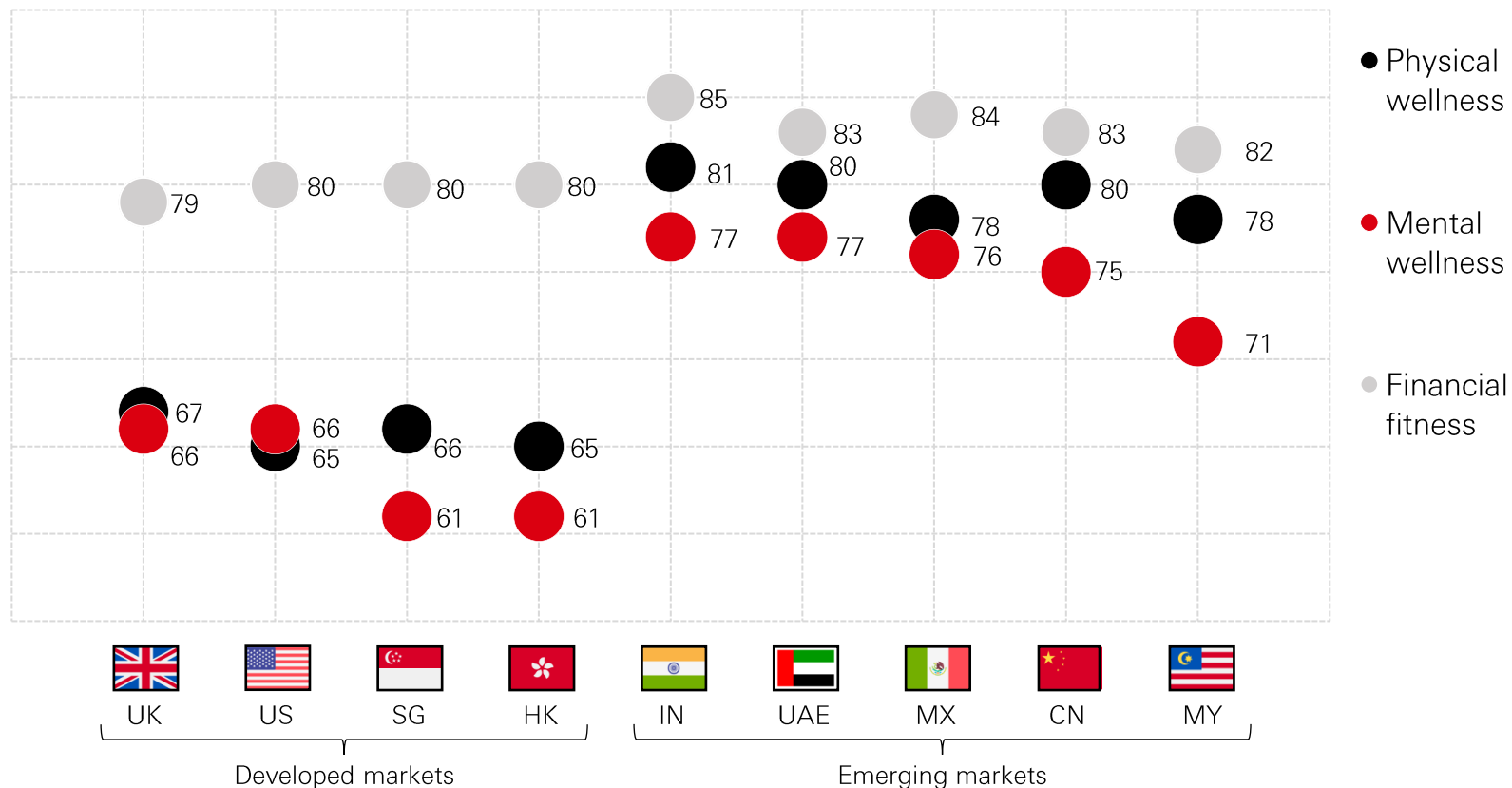
Developed markets (HK/SG/US/UK), Emerging markets (CN/IN/MY/UAE/MX)

Respondents rate themselves higher on financial fitness than on physical or mental wellness in all markets. The gap between Emerging and Developed markets is much wider for physical and mental wellness than for financial fitness.

Quality of Life Index (among Mass Affluent)



Emerging Affluent Scores:
Quality of Life Index -71
 | Physical - 71 | Mental - 66 | FinFit - 78



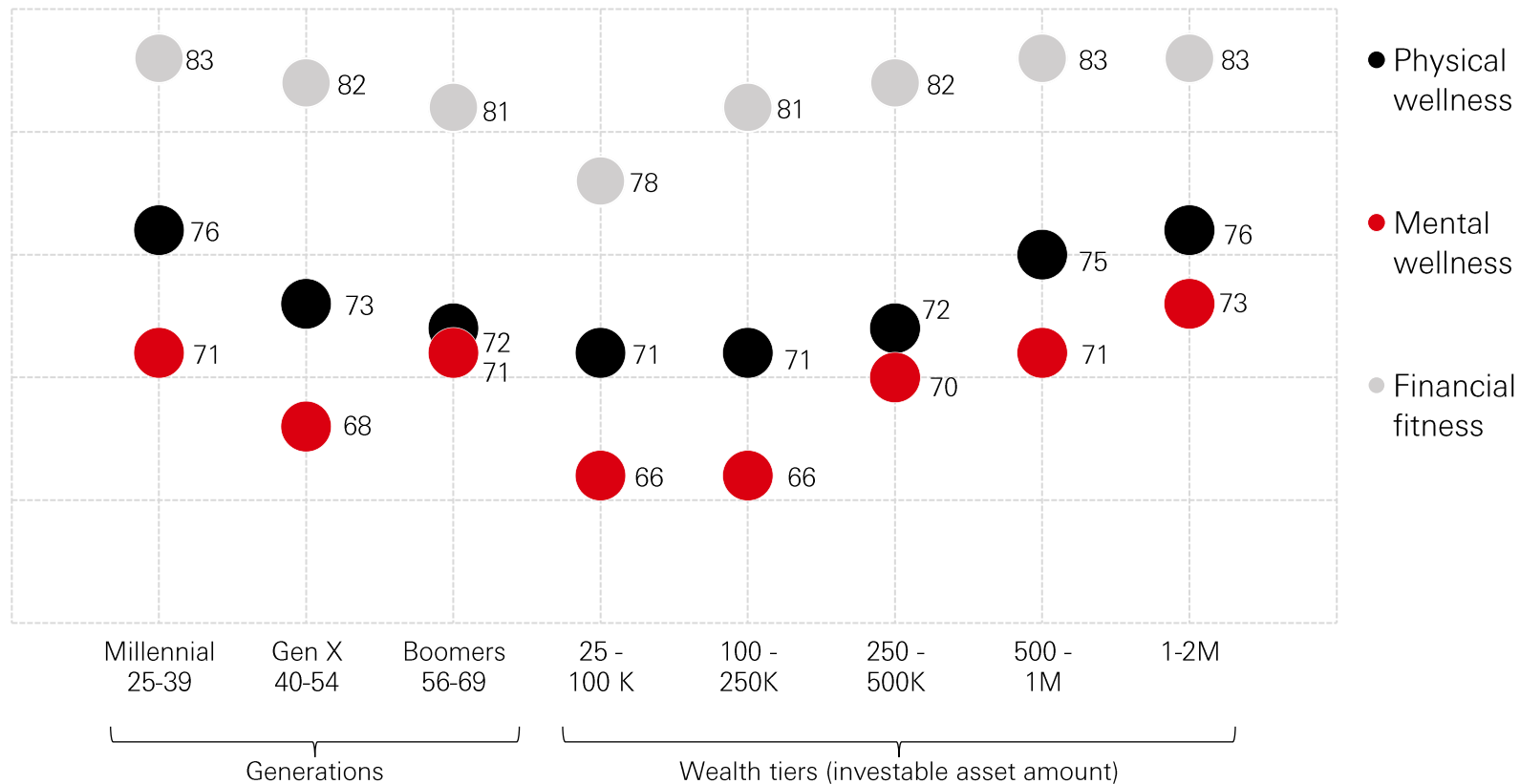
Developed markets (HK/SG/US/UK), Emerging markets (CN/IN/MY/UAE/MX)

Mental wellness scores show the biggest improvements as the wealth tier increases.

Quality of Life Index - by generation (among Mass Affluent) & wealth tier



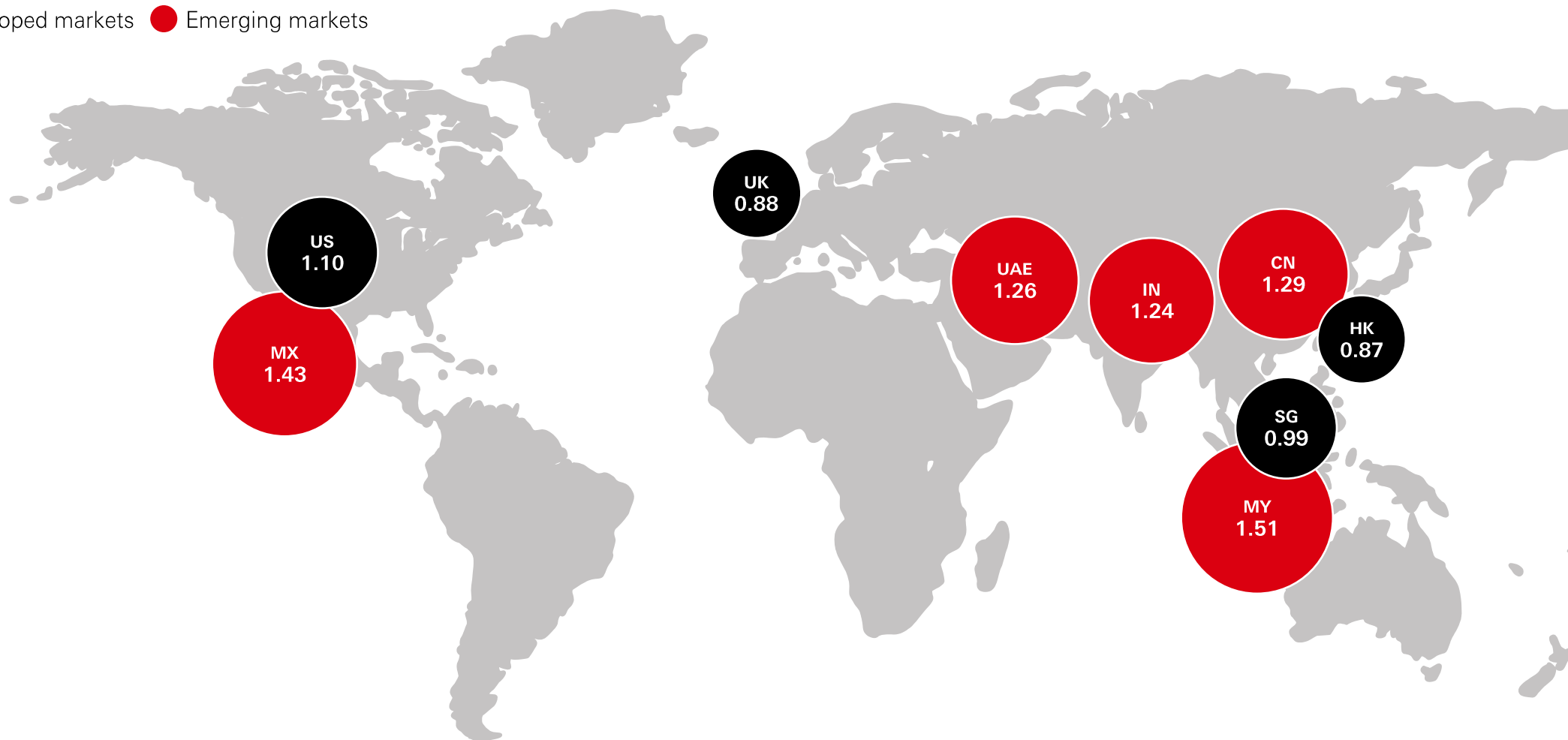
Emerging Affluent Scores:
Quality of Life Index -71
 | Physical - 71 | Mental - 66 | FinFit - 78



Those in Emerging markets are more aggressive in their financial goals.

Savings needed for a good Quality of Life - by market (in USD millions)

● Developed markets ● Emerging markets



C5. In the next 5-10 years, how much savings do you need in order to achieve a good Quality of Life?
Base: Mass Affluent - Each market n=~200.

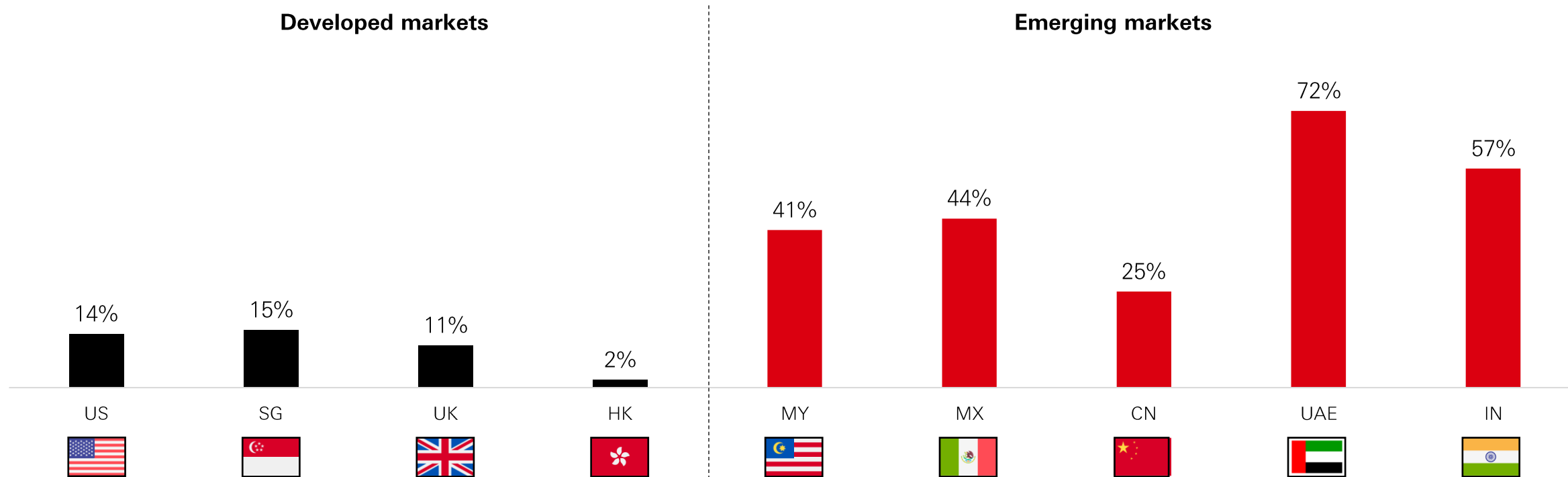
Consumers in Developed markets are more reliant on salaries, while entrepreneurship is higher in Emerging markets, a possible reason why Emerging markets have more diverse sources of income.

Why are Emerging markets more aggressive in their financial goals?

| % Source of wealth | Developed markets | | | | | Emerging markets | | | | | |
|------------------------------------|-------------------|-----|-----|-----|-----|------------------|-----|-----|-----|-----|-----|
| | Developed | HK | SG | US | UK | Emerging | CN | IN | MY | UAE | MX |
| Salaries | 49 | 57 | 52 | 45 | 43 | 29 | 40 | 26 | 31 | 25 | 26 |
| Inheritance | 9 | 4 | 7 | 9 | 16 | 11 | 6 | 13 | 10 | 11 | 14 |
| Rental income | 7 | 5 | 7 | 7 | 8 | 11 | 9 | 10 | 9 | 12 | 15 |
| Profits from businesses | 4 | 3 | 3 | 5 | 4 | 10 | 10 | 10 | 10 | 10 | 8 |
| Avg. no. of sources of wealth | 3.9 | 3.5 | 4.3 | 3.9 | 4.0 | 6.1 | 5.1 | 6.6 | 5.8 | 7.1 | 5.6 |
| Source of retirement income | | | | | | | | | | | |
| Personal savings | 66 | 66 | 68 | 65 | 64 | 54 | 57 | 50 | 59 | 49 | 57 |
| Rental income | 18 | 15 | 22 | 15 | 20 | 28 | 14 | 34 | 28 | 35 | 27 |
| Income from personal business | 16 | 22 | 10 | 19 | 15 | 27 | 20 | 21 | 24 | 37 | 34 |

Those in Emerging markets are more likely to say that Quality of Life has improved post pandemic.

Assessment of Quality of Life compared to before the pandemic (Net scores* by markets)



*Net scores= Better (Top 2) – Worse (Bottom 2)
 B1. What is your assessment of your Quality of Life today compared to before the pandemic (i.e., prior to 2020)?
 Base: Mass Affluent - Each market n=200 approx.

Respondents in Emerging markets, especially mainland China, India & the UAE feel more positive and optimistic than those in Developed markets.

Mental wellness statements (by market)

% who said "All of the time/often" to each statement

| | HK | SG | US | UK | CN | IN | MY | UAE | MX |
|--|----|----|----|----|----|----|----|-----|----|
| I have been feeling optimistic about the future | 41 | 47 | 59 | 51 | 81 | 77 | 69 | 80 | 82 |
| I have been feeling useful | 56 | 53 | 66 | 59 | 83 | 80 | 70 | 82 | 82 |
| I have been feeling relaxed | 45 | 48 | 58 | 58 | 78 | 76 | 69 | 77 | 68 |
| I have been feeling interested in other people | 29 | 35 | 52 | 54 | 79 | 68 | 52 | 69 | 66 |
| I have had energy to spare | 45 | 46 | 51 | 50 | 71 | 79 | 67 | 76 | 55 |
| I have been dealing with problems well | 53 | 49 | 65 | 67 | 75 | 70 | 70 | 83 | 72 |
| I have been thinking clearly | 60 | 59 | 75 | 71 | 85 | 79 | 76 | 79 | 85 |
| I have been feeling good about myself | 53 | 52 | 62 | 56 | 79 | 81 | 72 | 84 | 83 |
| I have been feeling close to other people | 45 | 42 | 54 | 57 | 78 | 70 | 64 | 74 | 74 |
| I have been feeling confident | 53 | 48 | 62 | 59 | 75 | 87 | 72 | 83 | 83 |
| I have been able to make up my own mind about things | 54 | 63 | 83 | 76 | 85 | 80 | 78 | 81 | 88 |
| I have been feeling loved | 46 | 50 | 63 | 64 | 63 | 76 | 71 | 77 | 79 |
| I have been interested in new things | 50 | 45 | 55 | 56 | 77 | 79 | 74 | 80 | 81 |
| I have been feeling cheerful | 53 | 48 | 63 | 57 | 82 | 79 | 67 | 74 | 76 |

Lowest value



Highest value

Emerging markets do well in overall financial planning, are confident in choosing financial products, update their risk tolerance periodically and are able to increase the value of their assets more effectively.

Financial fitness statements (by market)

% who said YES to each statement

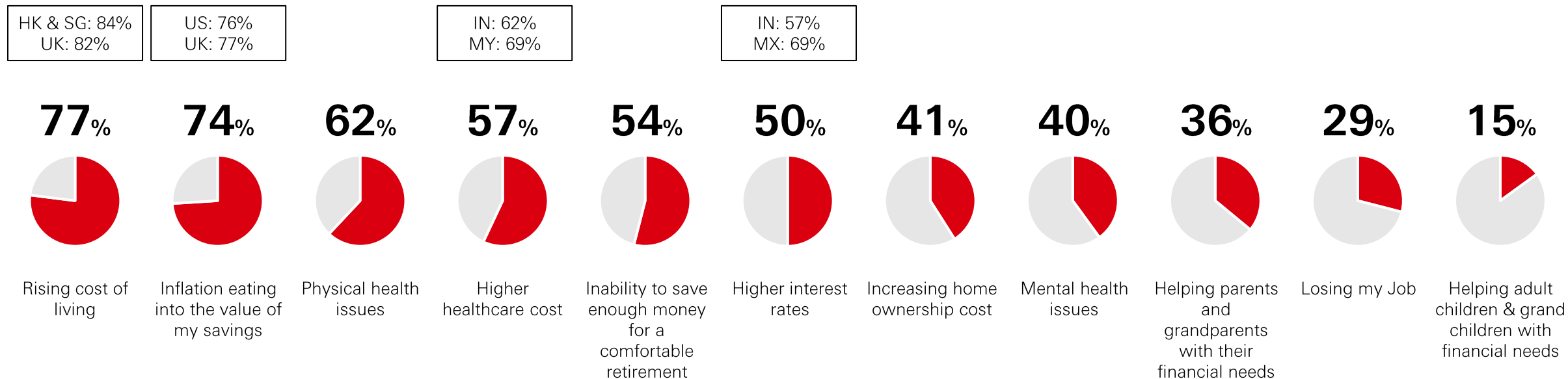
| | HK | SG | US | UK | CN | IN | MY | UAE | MX |
|---|----|----|----|----|----|----|----|-----|----|
| Financial knowledge | | | | | | | | | |
| You are confident enough to choose the financial products that suit your needs | 86 | 87 | 85 | 88 | 91 | 96 | 92 | 94 | 90 |
| Before purchasing financial products, you would first understand the product features, benefits & potential risks | 95 | 97 | 96 | 98 | 99 | 98 | 94 | 95 | 98 |
| Before purchasing financial products, you would first compare different products before making decision | 93 | 93 | 94 | 92 | 95 | 96 | 94 | 93 | 94 |
| In the past 12 months, you have assessed/updated your risk tolerance level | 80 | 80 | 74 | 64 | 90 | 75 | 86 | 80 | 78 |
| Financial planning | | | | | | | | | |
| You regularly review your financial plan, at least once a year | 86 | 82 | 86 | 92 | 90 | 95 | 88 | 93 | 96 |
| You ask financial advisers, insurance brokers and bank staff for professional advice whenever necessary | 72 | 75 | 78 | 70 | 92 | 86 | 79 | 87 | 83 |
| You have adequate protection for the health care costs/unpredictable medical expenses | 76 | 78 | 85 | 84 | 91 | 90 | 88 | 87 | 85 |
| You have a comprehensive financial plan for retirement | 60 | 68 | 80 | 81 | 77 | 89 | 82 | 84 | 85 |
| Financial habits | | | | | | | | | |
| Even if you had no income, you could afford to cover your basic living expenses for 6 months with savings | 94 | 91 | 86 | 86 | 92 | 92 | 84 | 86 | 91 |
| In the past 6 months, you have ever forgotten to pay bills by their due dates | 24 | 29 | 27 | 26 | 24 | 38 | 36 | 58 | 29 |
| In the past 6 months, you have utilised financial products to increase the value of your assets | 90 | 86 | 64 | 60 | 94 | 87 | 80 | 83 | 86 |
| You monitor your expenses every month to prevent overspending | 84 | 89 | 84 | 86 | 58 | 90 | 87 | 88 | 92 |
| Financial security | | | | | | | | | |
| You check your bank account & credit card monthly statements every month & confirm transaction records to discover any misappropriation/suspicious transactions | 94 | 94 | 95 | 92 | 83 | 94 | 91 | 92 | 94 |
| You carefully keep your bank account login information & prevent others from seeing you enter your password | 94 | 96 | 95 | 94 | 95 | 97 | 92 | 94 | 96 |
| In the last 6 months, you have ever provided credit card info on unknown online shopping sites | 28 | 39 | 28 | 33 | 26 | 44 | 42 | 68 | 33 |

Lowest value  Highest value

A3. The following sentences describe different people's understanding of financial products and their habit of information search. Are they applicable to you? A4. The following sentences describe different people's habit of financial planning. Are they applicable to you? A6. The following sentences describe the financial situation and habit of different people. Are they applicable to you? A7. The following sentences describe different people's approaches and views on handling financial security. Are they applicable to you? Developed markets (HK/SG/US/UK) n=794, Emerging markets (CN/IN/MY/UAE/MX) n=985

Financial and physical health issues are dominant barriers to achieving life goals. The top three are rising cost of living (HK, SG, UK), inflation (US, UK) & concerns around physical health.

Concerns in achieving life goals (among Mass Affluent)



C4. What are the top 3 concerns you have today in achieving the key life goals that you have mentioned?
 Base: : Mass Affluent n=1779

03

Outlook on retirement



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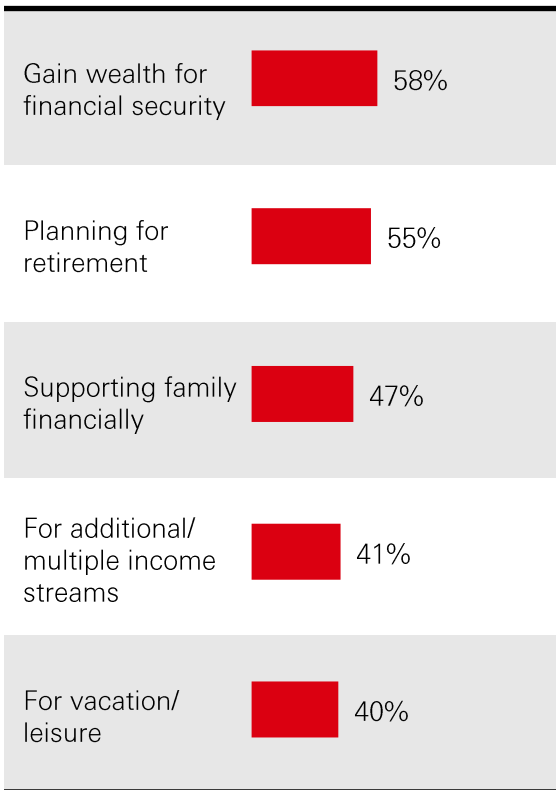
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Millennials and Gen X prioritise supporting family financially and creating additional income streams, while Boomers prioritise saving for vacations and leisure, and fighting against inflation.

Top Financial goals (among Mass Affluent)

Top 5 financial goals - overall



Top 5 financial goals - by generations



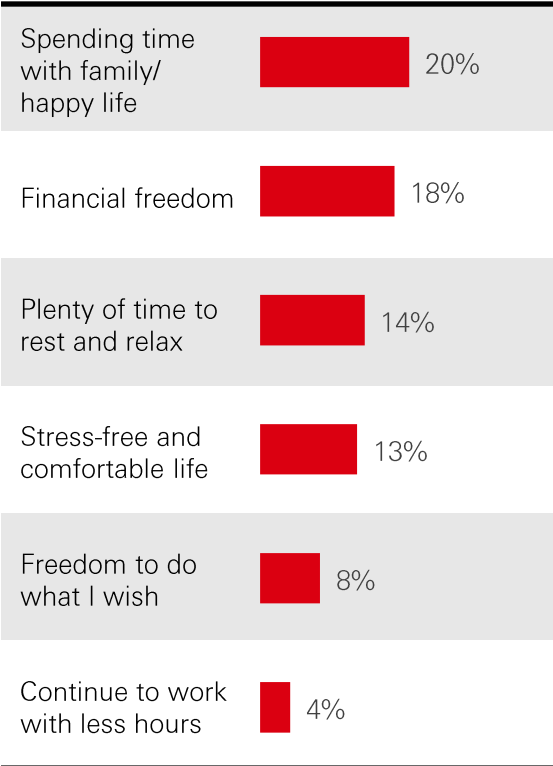
| | Millennials (Age 25-39) | Gen X (Age 40-54) | Boomers (Age 55-69) |
|----------|--|--|--|
| 1 | Gain wealth for financial security 54% | Gain wealth for financial security 61% | Gain wealth for financial security 60% |
| 2 | Supporting family financially 47% | Planning for retirement 60% | Planning for retirement 59% |
| 3 | For additional/multiple income streams 44% | Supporting family financially 47% | Supporting family financially 48% |
| 4 | Planning for retirement 42% | For additional/multiple income streams 40% | For vacation/leisure 48% |
| 5 | Education savings for child/ren 42% | Education savings for child/ren 40% | To fight against inflation 39% |

A1. Currently, what are your top 5 financial goals?
 Base: Mass Affluent n=1779, Millennials n=535, Gen X n=605, Boomers n=639

While retirement means more time to enjoy life to all generations, Millennials and Gen X tend to think more about financial freedom while Boomers associate it more with health, family and travel.

Meaning of retirement (Spontaneous)

Top 5 retirement goals - overall




Top 5 retirement goals - by generations




| | Millennials (Age 25-39) | Gen X (Age 40-54) | Boomers (Age 55-69) |
|----------|--|--|--|
| 1 | Spending time with family/happy life 20% | Financial freedom 18% | Spending time with family/happy life 21% |
| 2 | Financial freedom 19% | Spending time with family/happy life 18% | Financial freedom 14% |
| 3 | Stress-free and comfortable life 15% | Stress-free and comfortable life 14% | Plenty of time to rest and relax 13% |
| 4 | Plenty of time to rest and relax 14% | Plenty of time to rest and relax 13% | Stress-free and comfortable life 10% |
| 5 | Freedom to do what I wish 8% | Freedom to do what I wish 9% | Freedom to do what I wish 7% |

C10. What does retirement mean to you?
 Base: All respondents n=2250, Millennials n=750, Gen X n=755, Boomers n=745


Retirement means...

 Time-period when you're free from work burdens and look forward towards achieving your other goals in life.


(India, 29, Millennial, employed full-time)

 Take relief from work life and enjoy the rest of my golden years by spending time on what I want to do and not worry about anything.


(Singapore, 28, Millennial, employed full-time)

 Spending quality time, being healthy and happy with my husband doing all the things I couldn't do when I was stressed out working, ideally in the sunshine.


(UK, 49, Gen X, retired)

 What it means to me is financial freedom.

(Malaysia, 43, Gen X, employed full-time)

 Relaxed and free life without any stress after achieving all.

(UAE, 62, Boomer, housewife)

 To enjoy the finer things in life, excellent health, travel the world and have family around..

(US, 69, Boomer, self-employed)

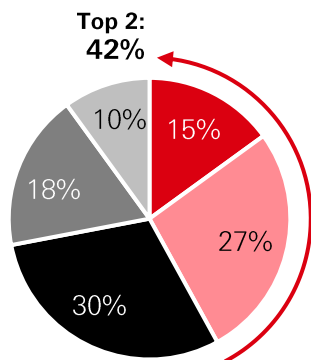


The Mass Affluent and Boomers are excited about retirement. Despite having started earlier with their financial planning, 37% of Millennials are concerned about retirement.

State of mind about retirement (among Mass Affluent)

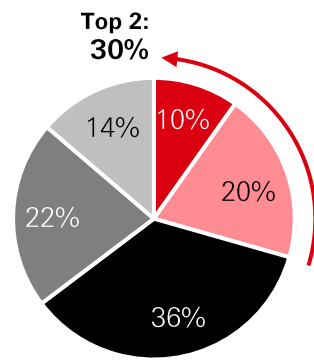
Mass Affluent

+13%



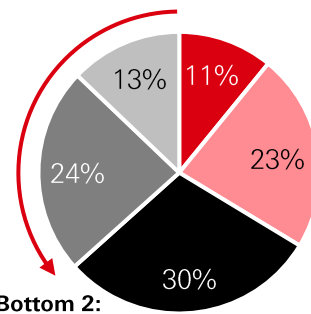
Emerging Affluent

-6%



Millennials (Age 25-39)

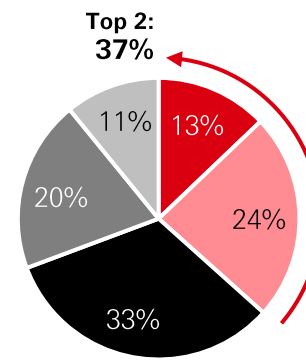
-2%



Mass Affluent

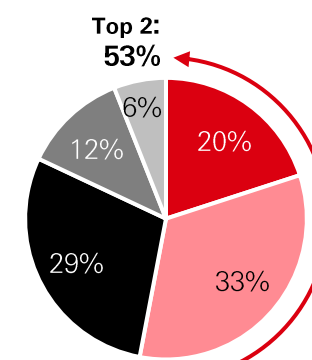
Gen X (Age 40-54)

+6%



Boomers (Age 55-69)

+33%



Net Score
(Excited - Concerned)

- Very excited
- Somewhat excited
- Neither excited nor concerned
- Somewhat concerned
- Extremely concerned

Significantly fewer of them review their financial plan regularly, ask for professional financial advice, or keep their bank account info secure when compared to other Millennials

Net scores* by market

Developed markets

| US | SG | HK | UK |
|-----|------|------|------|
| -1% | -19% | +18% | +13% |

Emerging markets

| MY | MX | CN | UAE | IN |
|------|------|------|------|-----|
| +15% | +35% | +39% | +24% | -3% |

*Net score= Excited about retirement (Top 2) – Concerned about retirement (Bottom 2)

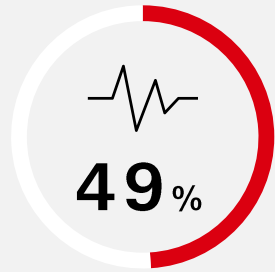
C11. How do you feel about retirement?

Base: Mass Affluent - Millennials n=535, Gen X n=605, Boomers n=639, By market n=200 approx., Emerging Affluent n=451

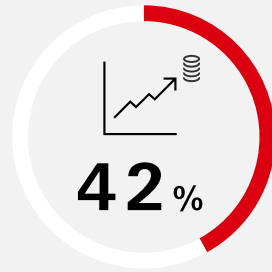
Decline of physical health and financial issues are the top concerns for retirement.

Top retirement concerns (among Mass Affluent)

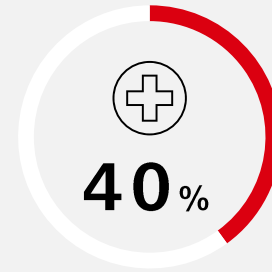
Decline of physical health



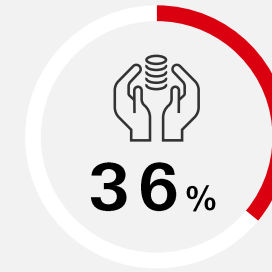
Inflation eating the value of the retirement savings



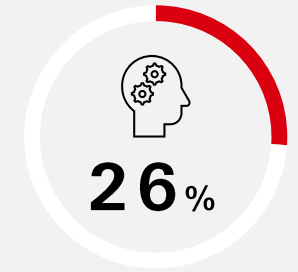
Higher healthcare cost



Need to save more money to achieve a comfortable retirement



Cognitive decline



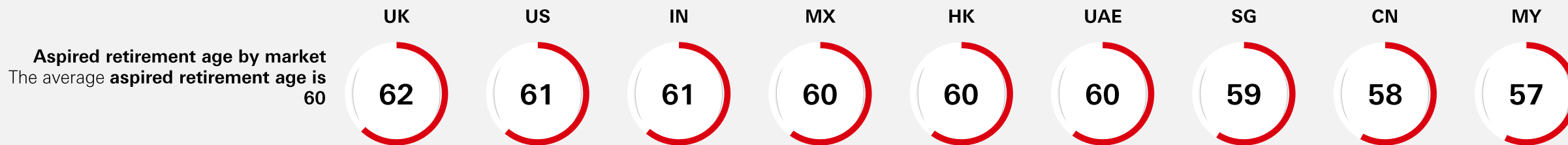
Relative importance of these concerns by market

| | Developed markets | | | | | Emerging markets | | | | |
|---|-------------------|----|----|----|----|------------------|----|----|-----|----|
| | Total | US | SG | HK | UK | MY | MX | CN | UAE | IN |
| Decline of physical health | 49 | 44 | 58 | 63 | 49 | 48 | 45 | 51 | 43 | 40 |
| Inflation eating into the value of the retirement savings | 42 | 54 | 52 | 47 | 40 | 46 | 45 | 31 | 26 | 35 |
| Higher healthcare cost | 40 | 40 | 50 | 53 | 21 | 47 | 41 | 27 | 33 | 44 |
| Need to save more money to achieve a comfortable retirement | 36 | 41 | 35 | 30 | 36 | 38 | 38 | 26 | 40 | 39 |
| Cognitive decline | 26 | 24 | 21 | 27 | 39 | 29 | 29 | 27 | 20 | 18 |

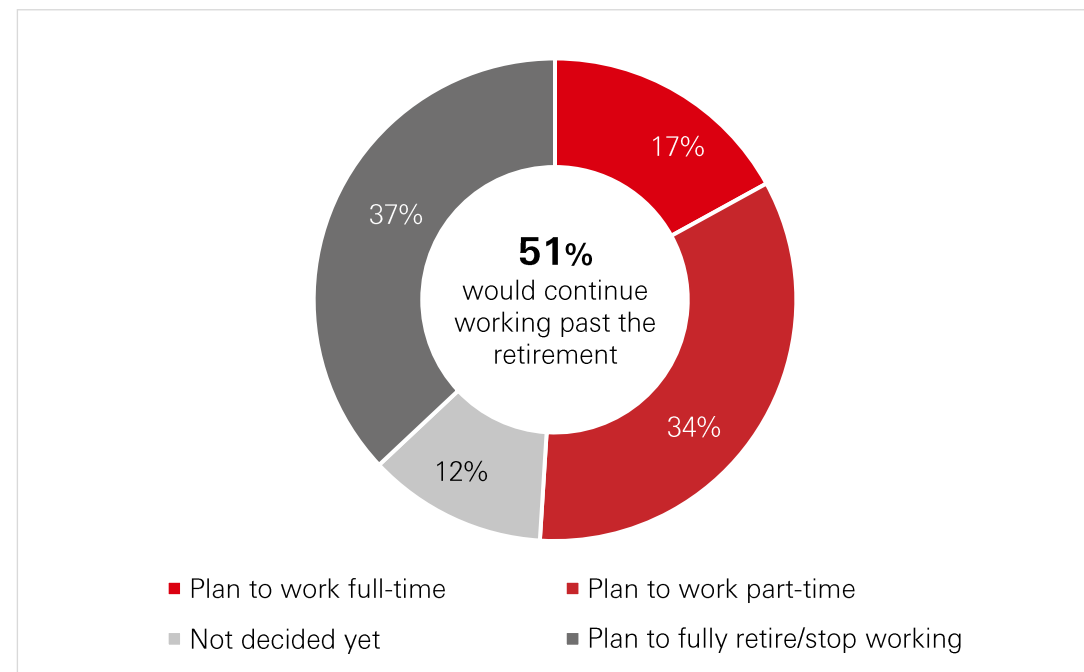
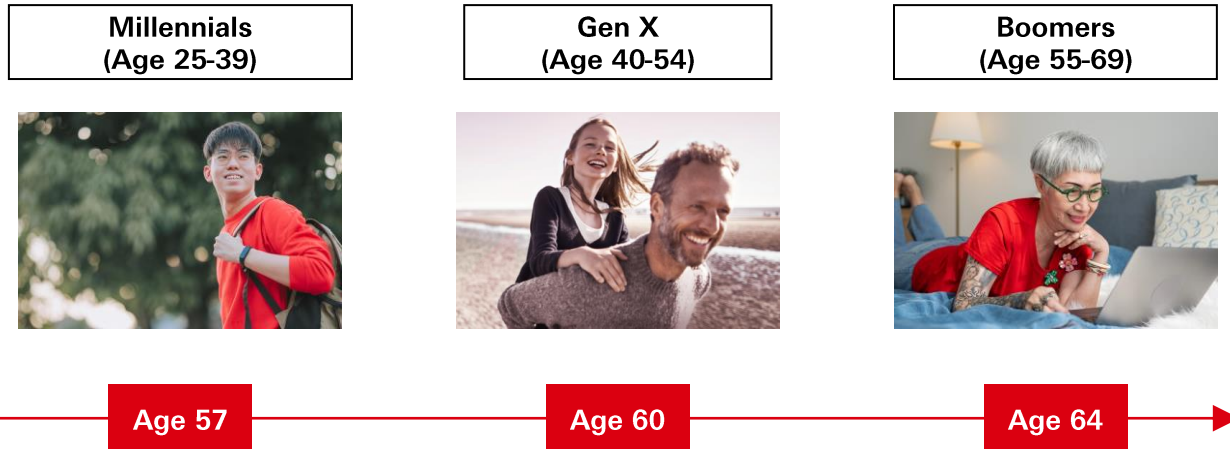
C12. What are the top 3 concerns you have today when you think of retiring?
Base: Mass Affluent n=1,779

The concept of retirement has evolved. While nearly all markets have an aspiration to retire earlier than the formal retirement age, 51% intend to continue working past official retirement. Millennials aspire to retire 7 years earlier than other generations.

Retirement age aspiration



Aspired retirement age by generations



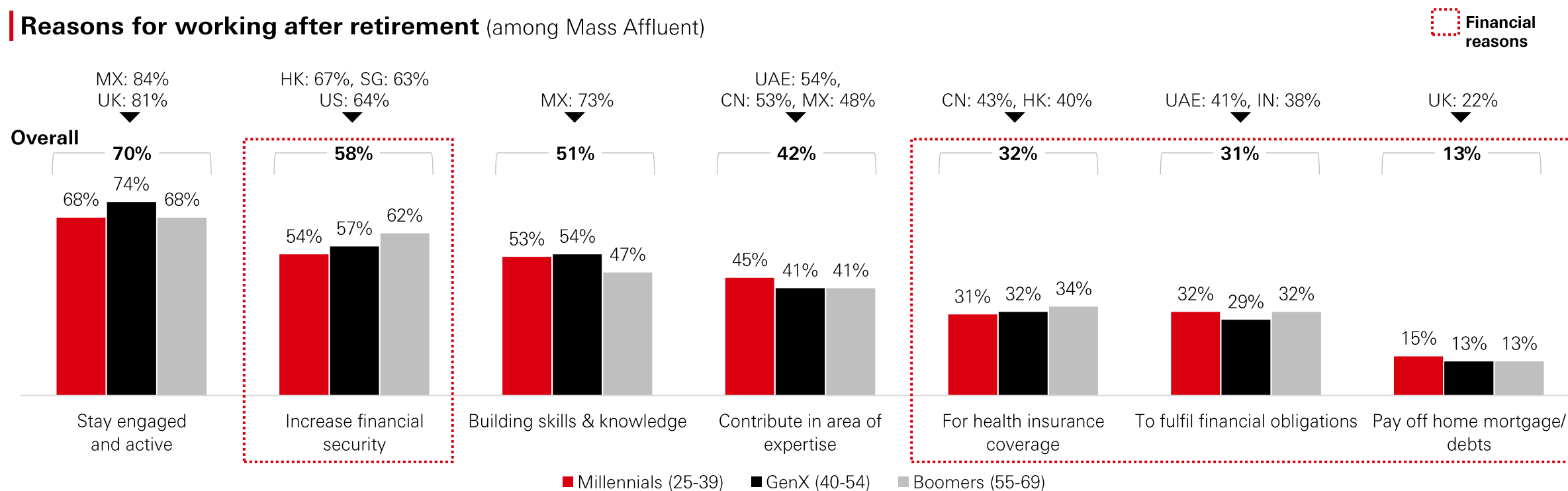
C18. Do you foresee to stop working after retirement?

C17. Personally, at what age do you expect/aspire to retire?

Base: Those who are employed/ self-employed Overall n=1,956, Millennials n=723, Gen X n=707, Boomers n=526,

Among those who want to continue working, 7 in 10 say they want to stay engaged and active, especially Gen X. Boomers focus more on financial reasons.

Reasons for working after retirement (among Mass Affluent)



Motivations to work beyond retirement by market

| Motivation | Developed markets | Emerging markets |
|-----------------------|-------------------|------------------|
| Financial reasons | 88% | 81% |
| Non-financial reasons | 90% | 95% |

Emerging markets are less likely to work for financial reasons after retirement

C19. What are the main reasons why you want to continue working beyond the traditional retirement age?
 Base: Those who want to work post-retirement Mass Affluent n=786, Millennials n=240, Gen X n=302, Boomers n=244

US and Hong Kong anticipate needing the highest savings to attain a quality retirement lifestyle, in line with the higher cost of living and healthcare costs. Singapore and mainland China are close behind.

Amount needed to have a comfortable retirement lifestyle (among Mass Affluent)

Average retirement savings needed by market (in USD millions)



Preparedness for retirement by market (Net scores* by markets)

*Net scores= Prepared for retirement (Top 2) – Unprepared for retirement (Bottom 2)

| | | | | | | | | |
|------|------|------|------|------|------|------|------|------|
| +41% | +19% | +26% | +39% | +45% | +51% | +51% | +56% | +63% |
|------|------|------|------|------|------|------|------|------|

How much is the retirement savings gap? (among those unprepared to meet retirement goals) (in USD thousands)

| | | | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 733 (61%) | 815 (74%) | 692 (74%) | 556 (60%) | 547 (66%) | 664 (87%) | 610 (87%) | 303 (58%) | 217 (72%) |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

% in brackets refer to the savings gap as a percentage of perceived retirement savings needed

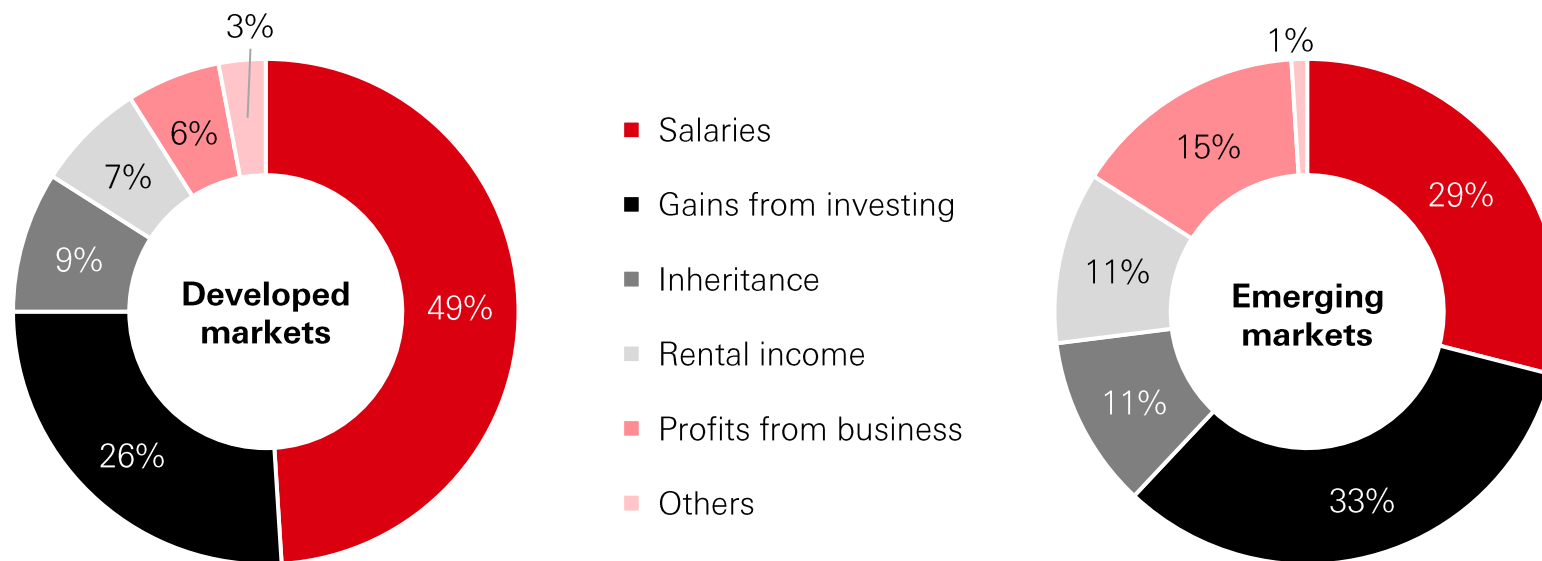
C13. How much retirement savings do you need to have to feel comfortable and secure?

C14. Taking your current wealth portfolio into consideration, how well prepared you are for retirement? C15. You mentioned that your current wealth portfolio is not fully aligned with your retirement goals, how much more do you think you need?

Base: Mass Affluent n=200 approx. per market

Those in Developed markets are much more reliant on salaries while Emerging markets have more diverse income streams.

Source of income and wealth (among Mass Affluent)



S11. Thinking about your wealth, approximately what proportion comes from each of the following sources?
 Base: Developed markets (HK/SG/US/UK) n=794, Emerging markets (CN/IN/MY/UAE/MX) n=985

Respondents in Developed markets expect to rely more on personal savings and pensions in retirement than those in Emerging markets. More respondents in Emerging markets expect to have rental income or profits from businesses.

Expected sources of retirement income (among Mass Affluent)

| | Developed markets | Emerging markets |
|-----------------------------|-------------------|------------------|
| Personal savings | 66% | 54% |
| Stocks and bond investments | 44% | 41% |
| Retirement savings schemes | 42% | 42% |
| Government pensions | 28% | 21% |
| Annuities/insurance plans | 24% | 23% |
| Part-time work | 20% | 21% |
| Rental income | 18% | 28% |
| Profits from business | 16% | 27% |
| Money from inheritance | 15% | 15% |
| Home equity value | 15% | 13% |
| Support from children | 10% | 15% |



04

Relocation sentiment

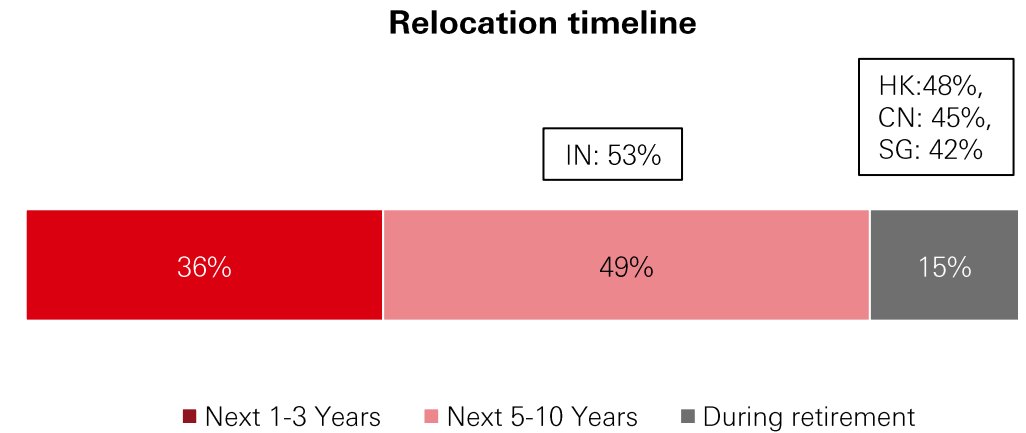
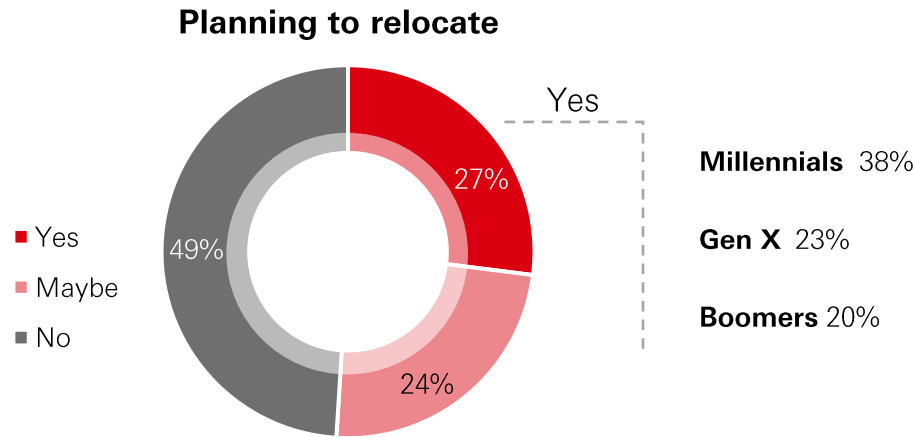


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27% plan to relocate to achieve a better Quality of Life while another quarter are contemplating it. The desire to relocate is highest among Millennials, and in emerging markets, especially Malaysia, the UAE and India.

Plans to relocate (among Mass Affluent)



Plan to relocate – by market (among Mass Affluent)

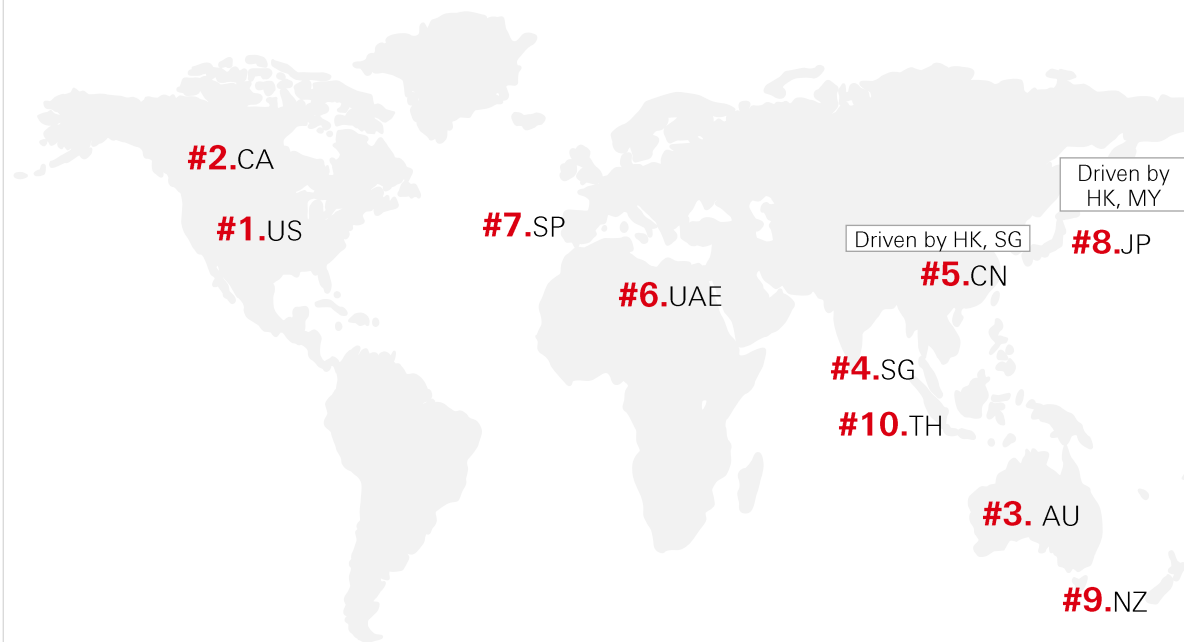
| Developed markets | | | | Emerging markets | | | | |
|-------------------|----|-----|----|------------------|-----|----|----|----|
| SG | HK | USA | UK | MY | UAE | IN | MX | CN |
| 26 | 24 | 23 | 19 | 37 | 32 | 32 | 26 | 18 |

C7. Do you plan to move to another city or country to achieve a better Quality of Life in the future? Base: Mass Affluent n=1,779
 C7a. When do you plan or consider moving? Base: Those who plan to relocate (Yes) n=471 Mass Affluent

They cite various reasons for wanting to relocate - better climate, better healthcare, lower living expenses, or to be closer to family and friends. Millennials are more likely to move for professional development.

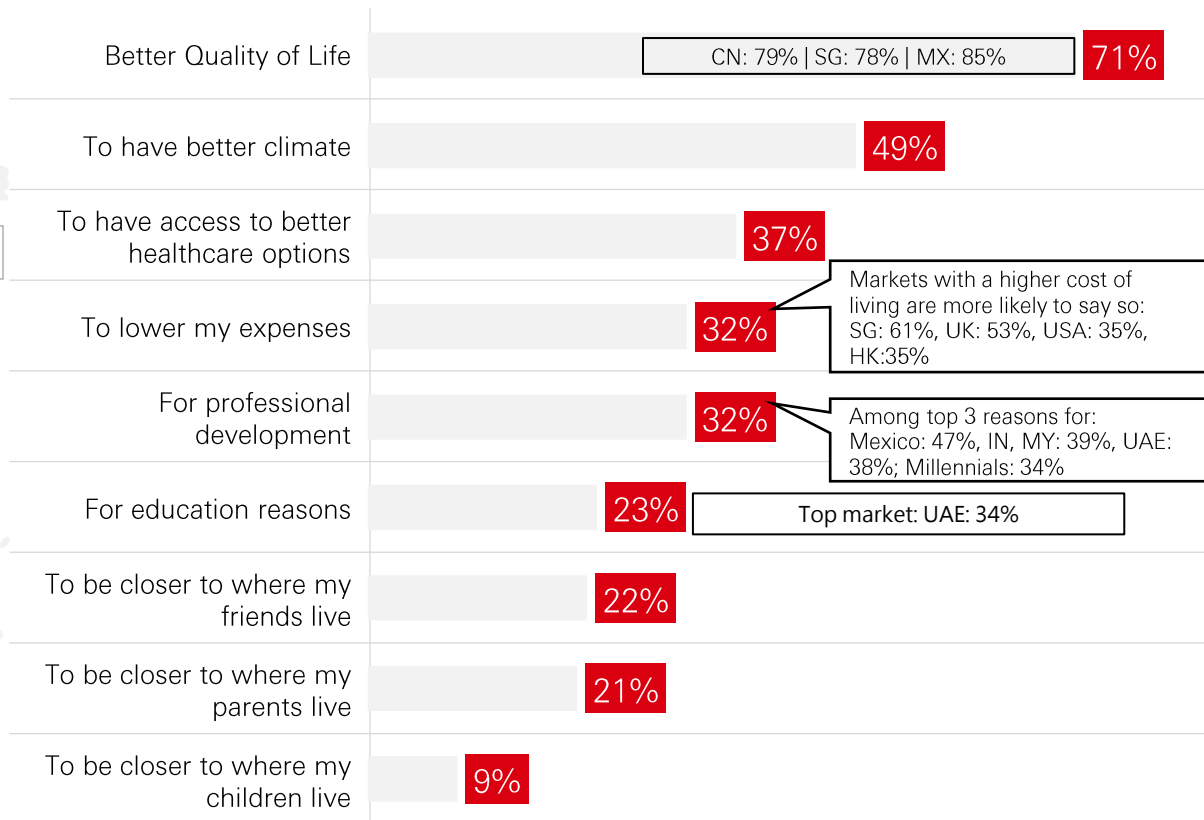
Reasons for relocation (among Mass Affluent)

Top 10 destinations for relocation by rank*



*international movements only
The numbers in red are the rank order of preference of destinations

Reasons for relocation



C8. Where would you plan to move to?
C9. Why are you planning to live outside your current location?
Base: Those who plan to relocate (Yes) n=471

05

Investment preferences & legacy planning



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Financial products of interest

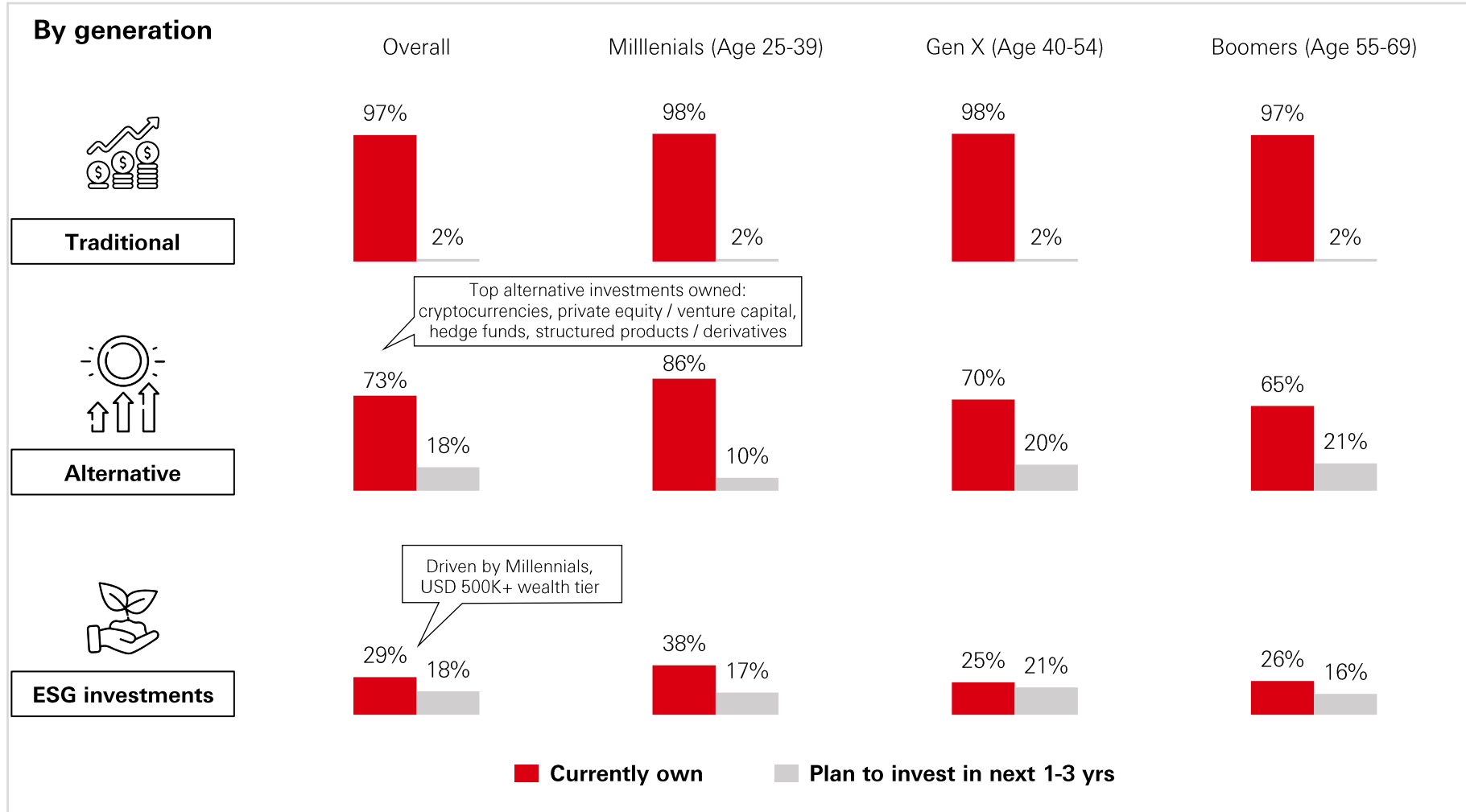


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Across generations, there is a desire to increase alternative investment products as part of their overall wealth portfolio. Investment in ESG assets is growing.

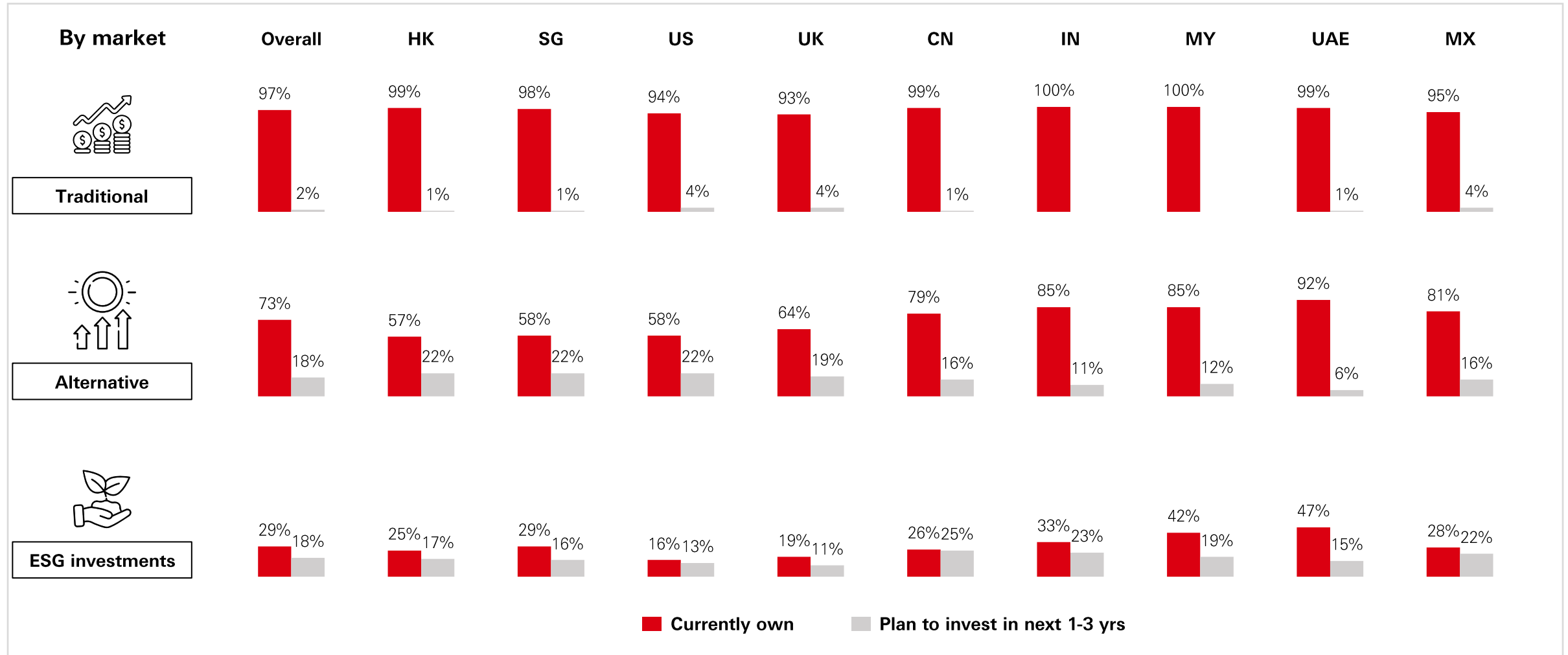
Financial products currently owned vs. intend to own (among Mass Affluent)



A8. Then, which of these savings and investment products do you currently have or plan to have in the next 1-3 years?
 Base: Mass Affluent n=1,779, Millennials n=535, Gen X n=605, Boomers n=639

Interest in ESG investments is higher in Emerging markets.

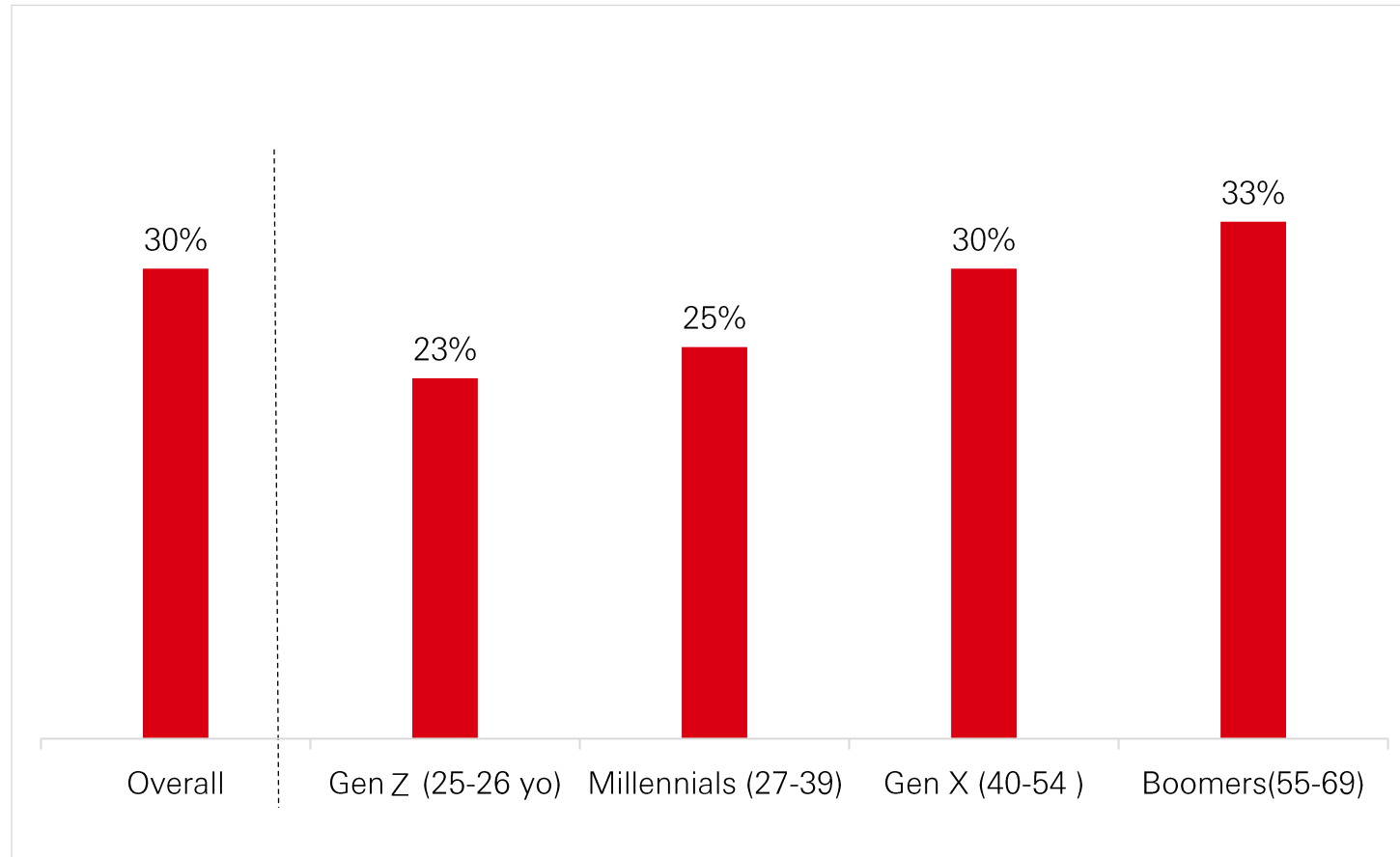
Financial products currently owned vs. intend to own (among Mass Affluent)



A8. Then, which of these savings and investment products do you currently have or plan to have in the next 1-3 years? Base: Mass Affluent - Each market n=200 approx.

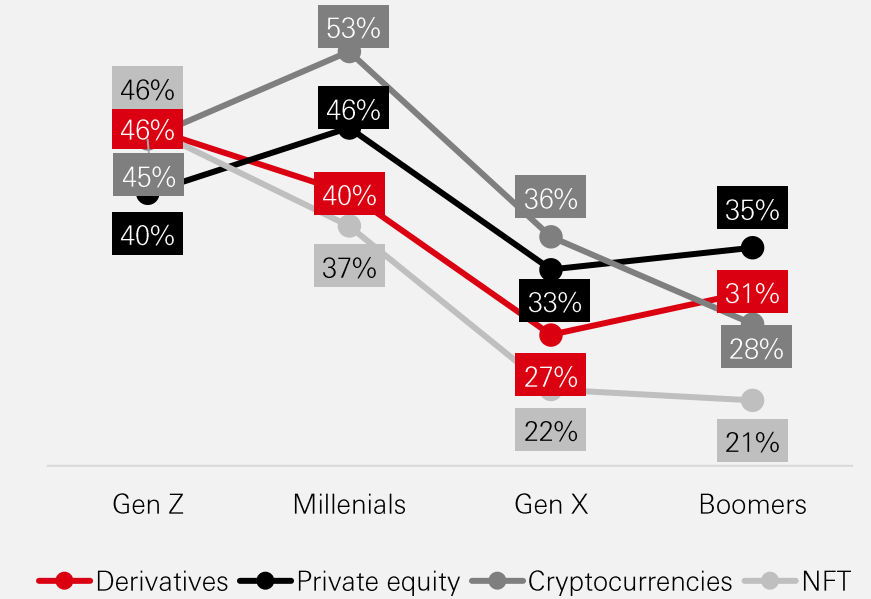
Each succeeding generation started investing earlier than the previous one, with Gen Z starting to invest at age 23, ten years before Boomers at age 33.

Average age when first started actively investing (among Mass Affluent)



The younger generations own more alternative investments than the older generations - particularly crypto and NFT.

Top 4 alternative investments owned



A2. When did you first actively invest?
 Base: Mass Affluent N=1779, Gen Z (25-26 yo) n=35* small base for indicative purpose only, Millennials n=535, Gen X n=605, Boomers n=639

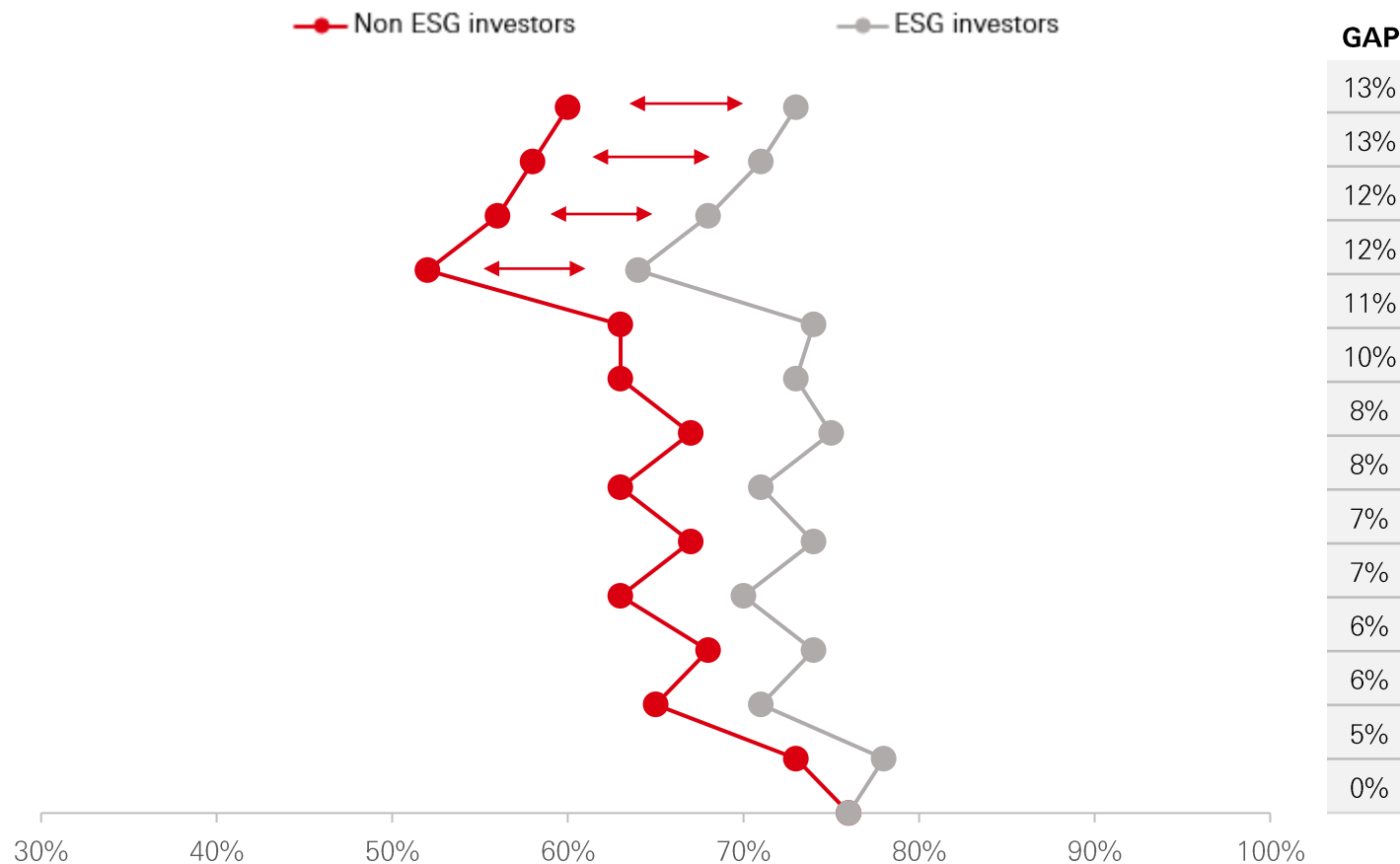
Those investing in ESG feel more relaxed, closer to other people and have more energy to spare.

ESG investors and positive thinking (among Mass Affluent)

% saying "All the time/often" to each statement

Ranking based on the gap %

| | Overall |
|--|---------|
| I have been feeling relaxed | 64% |
| I have been feeling close to other people | 62% |
| I have had energy to spare | 60% |
| I have been feeling interested in other people | 56% |
| I have been interested in new things | 66% |
| I have been feeling cheerful | 66% |
| I have been feeling confident | 69% |
| I have been feeling optimistic about the future | 65% |
| I have been feeling good about myself | 69% |
| I have been feeling loved | 65% |
| I have been feeling useful | 70% |
| I have been dealing with problems well | 67% |
| I have been thinking clearly | 74% |
| I have been able to make up my own mind about things | 76% |



B5. Below are some statements about feelings and thoughts. Please select the occurrence that best describes your experience of each over the last 2 weeks. Financially unfit and financially very fit are based on 4 questions on financial fitness
 Base: Mass Affluent n=1,779, ESG investors n=520, Non ESG investors n=1,259

Legacy planning

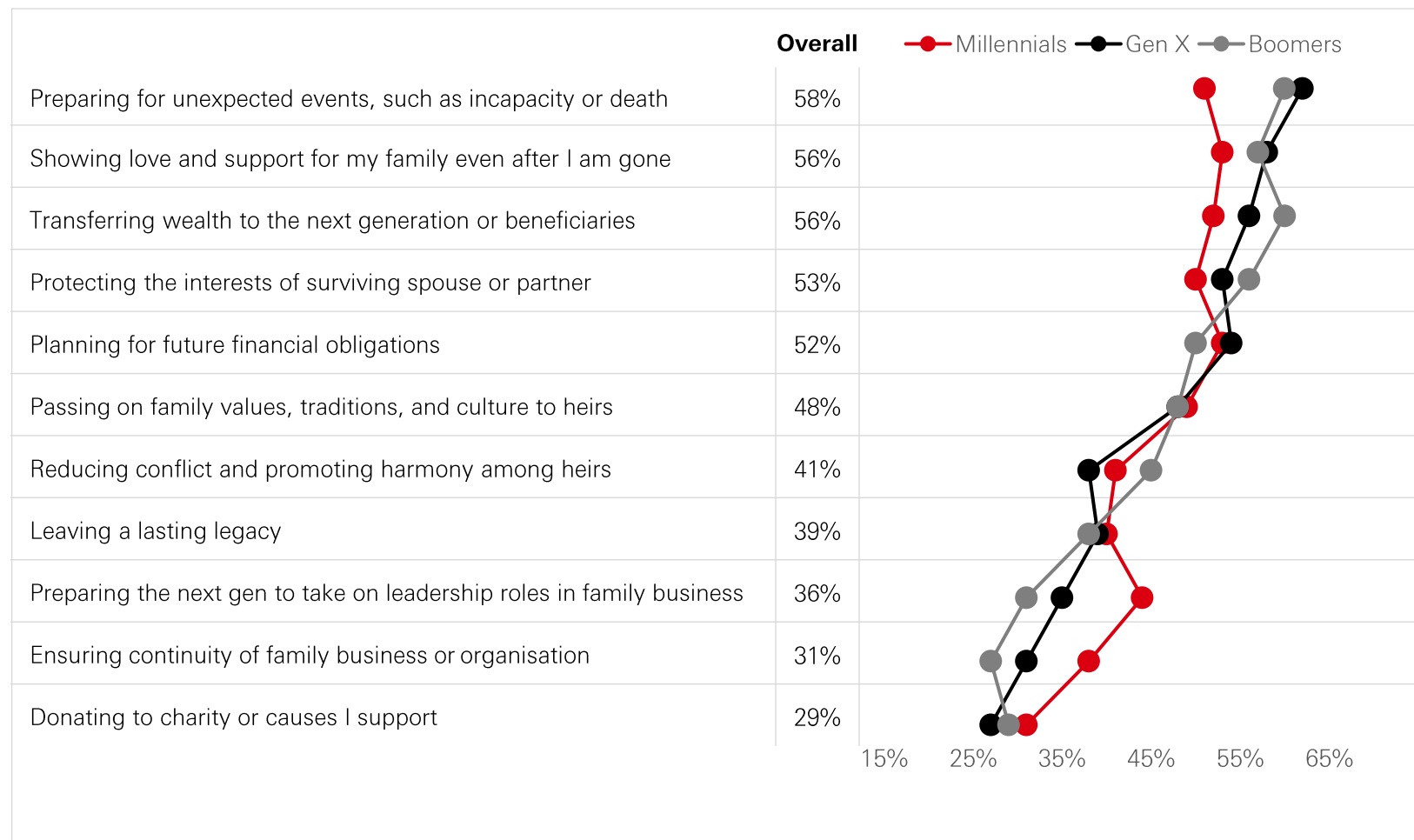


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Preparing for unexpected events, showing support for the family, and transferring wealth are the key legacy planning objectives.

Legacy planning objectives (among Mass Affluent)

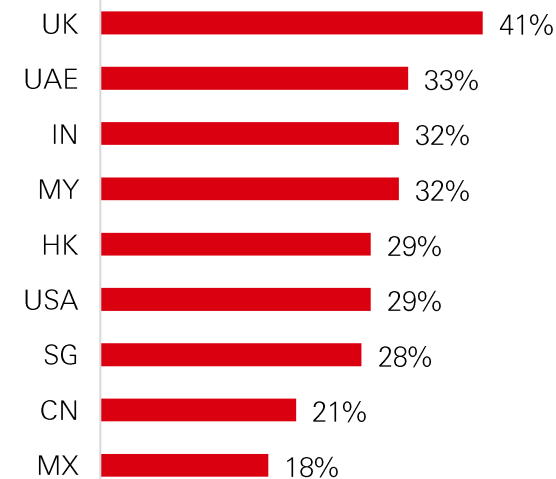


Donating to charity or causes I support As expected, high wealth tier exhibits a greater inclination; UK prioritises it most across markets.

By wealth tier (investable asset amount)



By markets



D2. When thinking of estate/legacy planning, which of these objectives are important for you?
 Base: Mass Affluent n=1,779, Millennials n=535, Gen X n=605, Boomers n=639

Having started investing earlier than the older generations, Millennials are more likely to view legacy planning from a holistic perspective beyond just the execution of a will.

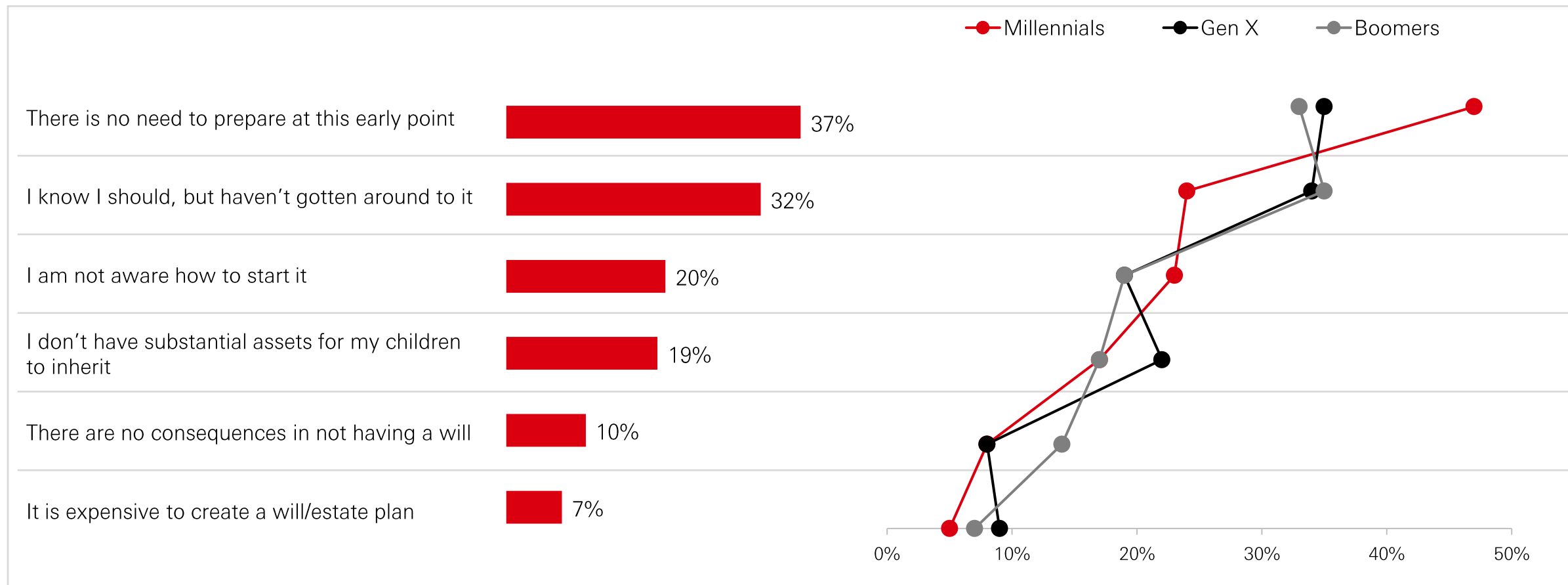
Preparations done for legacy planning (among Mass Affluent)



| | Overall | Millennials (Age 25-39) | Gen X (Age 40-54) | Boomers (Age 55-69) |
|---|---------|-------------------------|-------------------|---------------------|
| Executed a will/succession plan | 44% | 38% | 43% | 49% |
| Created an inventory of material wealth | 35% | 41% | 34% | 31% |
| Started asset allocation for different beneficiaries | 32% | 36% | 32% | 28% |
| Consulted on tax efficient strategies for estate planning | 32% | 38% | 32% | 27% |
| Bought large insurance plans for inheritance purposes | 29% | 36% | 28% | 24% |
| Created a trust deed/trust fund | 29% | 37% | 25% | 26% |
| Appointed an enduring power of attorney for mental incapacity | 27% | 34% | 23% | 24% |
| I have not done any preparation | 20% | 16% | 22% | 20% |

Among those who have not done any preparation, the most common reason stated is that it is too early to do so, especially among Millennials. Inertia is the other big factor. A fifth say they don't know where to start.

Reasons for not taking steps towards legacy planning (among Mass Affluent)



D4. What are the reasons why you have not started preparing for legacy/estate planning?
 Base: Those who have not done any preparation for legacy planning, Mass Affluent n= 348, Millennials n=87, Gen X n=131, Boomers n=130
 PUBLIC

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